

T-4 0043.PDF

IN WITNESS WHEREOF, the parties hereto have duly executed this
instrument in duplicate by their respective officers and under their
respective corporate seals this 28 day of October, 1957.

Attest:

Terminal Flour Mill Company

W. H. Hodge

By

Samuel Shmitt
President

Attest:

Cargill, Incorporated

Calvin J. Anderson

Calvin J. Anderson, Assistant Secretary

By

M. S. Nygaard
Assistant Vice President

LICENSE

This agreement is entered into this 26 day of September, 1957, between Cargill, Incorporated, a Delaware Corporation (hereinafter referred to as "Cargill"), and Terminal Flour Mill Company of Portland, Oregon (hereinafter referred to as "Terminal").

WHEREAS, employees, agents, guests and invitees of Terminal have been and are using, for the purpose of parking vehicles, land leased by Cargill in the City of Portland, Oregon, which land lies adjacent to premises occupied by the parties hereto.

NOW THEREFORE, the parties hereto agree as follows:

1. Cargill hereby grants, but without warranty, a license and permission unto Terminal to use the aforesaid land for the parking of vehicles by said Terminal's employees, agents, guests and invitees; provided that the license and permission granted herein may be restricted, regulated or revoked by Cargill at any time without prior notice and for and reason whatsoever.

2. In consideration of the license and permission granted herein, Terminal hereby agrees to indemnify and save harmless Cargill of and against all costs or expense resulting from any and all loss of or damage to the property of Cargill and from any and all loss of life or property or injury or damage to the person or property of any employee, agent, guest or invitee of Terminal and Cargill, or either of them, and from and against any and all claims, demands or actions against any such loss, injury or damage directly or indirectly caused either wholly or in part by or growing out of or incident to the use of said premises as hereinabove provided.

3. No legal title or leasehold interest in the above described premises shall be deemed or construed to have been created or vested in Terminal by anything contained herein.

T-4 0045.PDF



December 29, 2003

Writer's Direct Line: (503) 944-7008
Writer's Fax Line: (503) 944-7042
Writer's Email Address: wyattb@portptld.com

Mr. Wayne Teddy
President, North American Grain & Oilseeds
Cargill Incorporated
15407 McGinty Road West
Wayzata, MN 55391-5624

Cargill Incorporated
Cargill Building
Minneapolis, Minnesota 55440

Mr. Mark Quayle
Senior Attorney
Cargill Incorporated
P.O. Box 5624
Minneapolis, MN 55440-5624

BY REGISTERED MAIL, POSTAGE PREPAID, EMAIL AND FACSIMILE

Re: Terms and Conditions for Lease Termination
Lease Agreement between the Port of Portland and Cargill, Incorporated
Terminal 4 Grain Facility - Port Agreement #75-057 ("Lease")

Gentlemen:

This letter will confirm the understanding between the Port of Portland ("Port") and Cargill, Incorporated ("Cargill") as to final matters to be addressed in connection with Cargill's termination of the above-referenced Lease ("Lease Termination"), and those matters that will survive the Lease Termination and Cargill's surrender of the Lease premises ("Premises") to the Port.

The following is a list of certain key events that have occurred to date in connection with Cargill's performance of termination obligations under the Lease ("Termination Obligations"):

1. By letter dated April 29, 2003, Cargill notified the Port of Cargill's intention to terminate the Lease effective June 20, 2003 pursuant to Section 11.1 of the Lease.
2. Through a series of communications and letters to Cargill (including letters dated May 23, 2003; June 20, 2003; November 14, 2003; November 20, 2003;

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PORT OF PORTLAND

December 17, 2003

Mr. Dennis Klein
Cargill, Incorporated
P.O. Box 9300/Dept. 1
Minneapolis MN 55440-9300

Arnie Schaufler
General Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

Mr. Gene Loffler
Operations Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

BY COURIER/OVERNIGHT MAIL, FACSIMILE AND EMAIL

RE: Environmental Contamination Issues to be Addressed Under Lease Section 12.14 at Cargill Leasehold at the PORT of PORTLAND Terminal 4

Gentlemen:

The Port of Portland (Port) has received the Environmental Site Assessment (ESA) prepared by ATC Associates for Cargill under Section 12.14 of Cargill's lease for the facilities at Terminal 4. This letter responds to the information presented in Cargill's ESA and defines the steps that should next be taken.

The purpose of Cargill's ESA is to identify the Recognized Environmental Conditions – as that term is defined in ASTM standard E1527 – associated with Cargill's operations at its leasehold that require further evaluation or investigation by Cargill. Although the ESA provides a better understanding of some environmental issues within the Cargill leasehold, the ESA report has not demonstrated a level or scope of inquiry that is appropriate enough to resolve the remaining environmental issues associated with the

PORT OF PORTLAND 121 NW EVERETT PORTLAND OR 97209 • BOX 3529 PORTLAND OR 97208 • 503-944-7000

CARG000707

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**CARGILL
GRAIN
DIVISION**

*Terminal No. 4
Foot of N. Lombard
Portland, OR 97203
503/286-0678*

PROPOSED DRAFT

May 26, 1995

VIA REGISTERED MAIL

Port of Portland
P. O. Box 3529
Portland, OR 97208

Attention: Mike Thorne, Executive Director

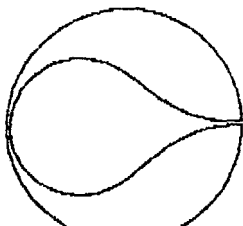
Dear Mr. Thorne:

This letter will serve as our official notification to the Port of Portland that Cargill, Incorporated hereby exercises its option to renew the lease agreement for the Portland, Oregon Terminal 4 Grain Elevator for a period of five years commencing July 1, 1996.

Cargill, Incorporated

William J. Laurents
Facility Manager

cc: Bob Hrdlicka, General Manager Marine Operations, Port of Portland
Frank Sims, Vice President, Cargill Grain Division, Minneapolis, MN
Randall J. Romsdahl, Cargill, Inc., Law Department, Minneapolis, MN



T-4 0049.PDF

Box 2003/02523

PERMANENT

PORTLAND, ORE.

- 504.12

(Term. #4) Lease of
elevator, etc. from
THE PORT OF PORTLAND -
1975 renegotiation
(includes revenue bond
financing for moderniza-
tion of facilities)

Correspondence - Thru August 31, 1976

PORTLAND,
CORRESPONDENCE - THRU 08/31/76

OR 504 . 012



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L38009

CARG000711

Whisper campaign

Most secrets eventually come out through an endless chain of confidential communications.

VOL. 136—NO. 123

Daily Journal of Commerce

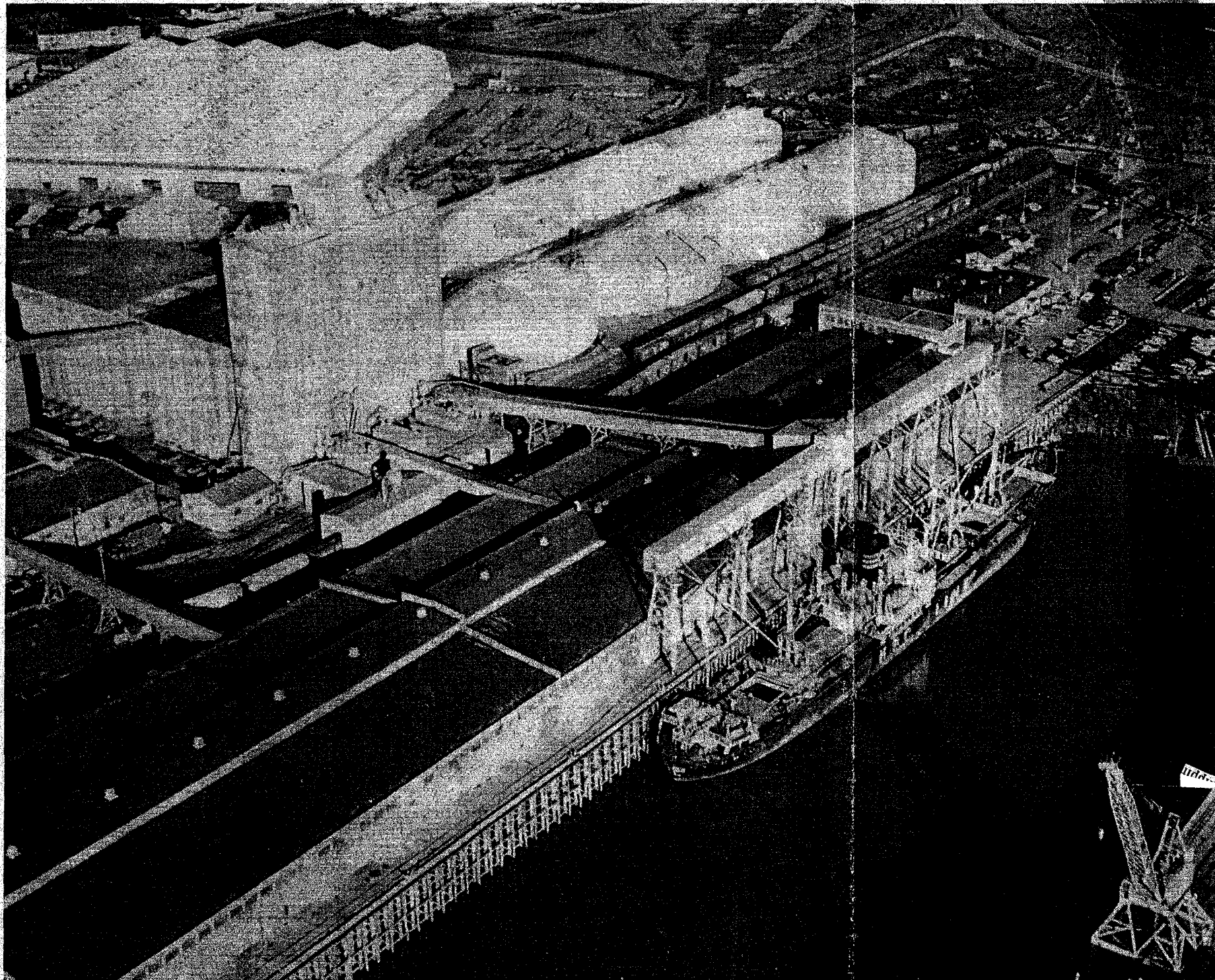
ALL THE BUSINESS NEWS OF EACH BUSINESS DAY

PORTLAND, OREGON, 97210, THURSDAY, JUNE 20, 1974

1 day

of Commerce publishes every day except Saturday and Sunday. For subscriptions call 226-1311.

PRICE TWENTY-FIVE CENTS



Grain elevators get Port go-ahead

Cook Industries receives approval for building \$15 million structure

The Port of Portland has approved two grain elevator construction projects totaling \$27 million.

Final go-ahead was given to Cook Industries, based in Memphis, Tenn., to build and operate a \$15 million grain elevator and dock in the Rivergate industrial district.

The other green light was flashed for the issuing of up to \$12 million in special facility revenue bonds to modernize the port's grain elevator, dock and allied structures at Terminal No. 4. The new grain complex will be leased to Cargill, present operators of the elevator.

Port Commission President Alan Green, Jr. said, "with grain accounting for approximately 50 per cent of the port's export tonnage, it behooves us to have the best facilities and equipment practicable."

According to Bruce Taylor, port representative on the Terminal 4 project, upgrading the present elevator will include installing air pollution control equipment; modernizing the concrete vertical storage, the workhouse and the rail yard; building a new out-loading gallery, for the large seagoing vessels, on the face of the pier along the Willamette River; and changing the barge unloading operation from the face of the pier into the slip.

At a later date, Cargill may build a supplemental receiving and storage facility in Clackamas County, and modernize the steel grain storage tanks at Terminal 4. A provision for this

potential expansion has been made in the port-Cargill Agreement.

The Cook elevator will be located on 40 acres along the Willamette River at Rivergate near the Columbia Slough. It will store 1.5 million bushels or 40,000 tons of grain.

Barges, rail cars and trucks bringing grain to the elevator will be unloaded at rates of 33,600 bushels, 15,000 bushels and 10,000 bushels per hour, respectively. Deep-draft seagoing vessels will be loaded by two conveyors at a combined rate of 75,000 bushels per hour.

Economist confident of recovery

A New York City economist at the Building Owners and Managers Association at their convention in the Hilton Hotel expressed confidence the troubled economy will recover with new construction.

Richard Plehn, president of his own firm in New York, said new projects such as residential, office, commercial and hotel facilities will be multi-use structures offering amenities and conveniences that will attract tenants and employees needed to staff such business establishments.

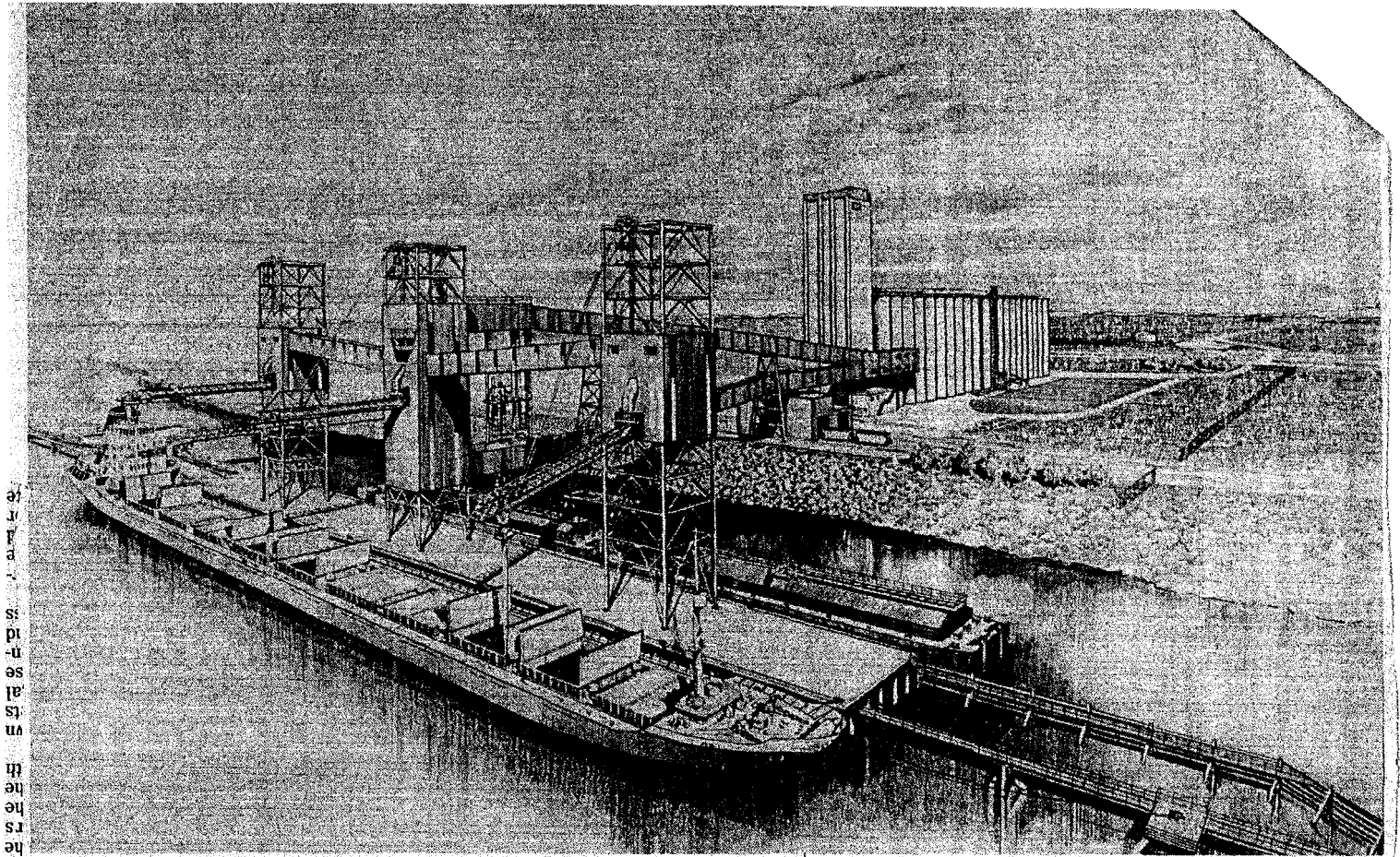
Architects will design energy conserving structures and will maximize the utilitarian function of the created space. Developers will select sites, or with the assistance of local or state

Contract means

ISSUING OF \$12 MILLION in revenue bonds for modernizing the grain elevator and dock at Terminal 4 was authorized by the Port of Portland.

The grain complex will be leased to Cargill. The elevator will hold eight million bushels.

—Special Daily Journal of Commerce photo.



COOK INDUSTRIES got final approval from the Port of Portland to construct a \$15 million grain elevator and dock in the Rivergate industrial district. The elevator will store 40,000 tons of grain. The elevator will consist of 18 concrete storage silos, 140 feet high, and a 230-foot headhouse. The

dock will be 900 feet long with three loading towers spaced 150 feet apart. Ground-breaking on the 40-acre site has been scheduled for Wednesday. Contractor will be Homan & Lawrence Engineering Co., San Francisco.

—Special Daily Journal of Commerce sketch.

T-4 0051.PDF

LEASE AGREEMENT

This **LEASE AGREEMENT** (the "Lease") is made and entered into effective as of the 3rd of December, 2001, by and between **CARGILL, INCORPORATED**, a Delaware corporation with its principal place of business at 15407 McGinty Road West, Wayzata, Minnesota 55391-2399 (hereafter "Lessor") and **CLD PACIFIC GRAIN, LLC**, a Delaware limited liability company with an address of 222 SW Columbia, Suite 1133, Portland, Oregon 97201 (hereafter "Lessee").

WITNESSETH:

WHEREAS, Lessee has been organized to lease, sublease and operate certain grain facilities for the purpose of originating, merchandising, storing, drying, handling, cleaning, elevating and transporting grain, primarily wheat and barley, in accordance with the Limited Liability Company Agreement between Cargill, Incorporated and Louis Dreyfus Corporation dated as of December 3, 2001 (the "LLC Agreement");

WHEREAS, Lessor owns and/or leases various grain facilities at Portland (Terminal 4 and Irving), The Dalles, Arlington and Boardman, Oregon; Burbank and Pasco, Washington; and Lewiston, Idaho; and

WHEREAS, Lessor desires to lease and/or sublease, as applicable, to Lessee, and Lessee desires to lease and/or sublease from Lessor, the aforementioned grain facilities;

NOW, THEREFORE, for and in consideration of the foregoing and the terms, conditions, covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.01. Certain Definitions. In this Lease, the following terms have the following meanings:

- (a) Assets. "Assets" shall have the meaning set forth in Section 2.01 herein.
- (b) Award. "Award" shall mean the amounts recovered as compensation or damages on account of a Taking, including all amounts paid pursuant to any agreement which has been made in settlement or under threat of any such action or proceeding, less the reasonable costs and expenses incurred in collecting such amounts.
- (c) Capital Improvement(s). "Capital Improvements" shall have the meaning set forth in Section 11.01 herein.
- (d) Cargill Leased Facilities. "Leased Facilities" shall have the meaning set forth in Section 2.01.
- (e) Cargill Owned Facilities. "Owned Facilities" shall have the meaning set forth in Section 2.01.
- (f) Casualty. "Casualty" shall mean any damage or destruction of the Facilities, or any portion thereof, by fire or other casualty.
- (g) Commencement Date. "Commencement Date" shall have the meaning set forth in Section 3.01.

- (h) Date of Casualty. "Date of Casualty" shall mean the date on which the Casualty occurs.
- (i) Date of Taking. "Date of Taking" shall mean the earlier of the date upon which the use, occupancy or title of the Premises, or any portion thereof, is vested in, or possession thereof is taken by, the entity exercising the power of eminent domain.
- (j) Deficiency. "Deficiency" shall have the meaning set forth in Section 14.01(a).
- (k) Deficiency Related Losses. "Deficiency Related Losses" shall have the meaning set forth in Section 14.01(a).
- (l) Environmental. "Environmental" shall mean anything pertaining to the water (including surface water, groundwater, water vapor, and wetlands), land (including land surface or subsurface), air, fish, wildlife, vegetation, biota and all other natural resources.
- (m) Environmental Laws. "Environmental Laws" shall mean and include any and all present and future federal, state or local laws, statutes, ordinances, rules, regulations, orders, judgments, restrictions, or determinations or other requirements of any governmental authority, including, without limitation, all common law and judicial principles of liability, regulating, relating to or imposing liability or standards of conduct concerning, any Environmental matters, as in effect on the date of the execution of this Lease, including, without limitation, the National Environmental Policy Act, the Clean Water Act, the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Federal Water Pollution Control Act, the Occupational Safety and Health Act of 1970, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous Materials Transportation Act of 1975, the Safe Drinking Water Act, the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, as amended by the Federal Environmental Pesticide Control Act of 1972 and by the Federal Pesticide Act of 1978, the Emergency Planning and Community Right-To-Know Act of 1986, the United States Environmental Protection Agency's Technical Standards and Corrective Action Requirements for Owners and Operators of Underground Storage Tanks, 40 C.F.R. Part 280, The Atomic Energy Act of 1954, the Acid Precipitation Act of 1980, the Low-Level Radioactive Waste Policy Act, the Nuclear Waste Policy Act of 1982 and the Solid Waste Disposal Act and any so-called "Superfund" or "Superlien" laws and any comparable or similar Environmental laws (whether local, state or federal), together with all amendments in effect from time to time, and all rules and regulations promulgated from time to time, under or with respect to any or all of the foregoing laws.
- (n) Event of Default. "Event of Default" shall have the meaning set forth in Section 3.02.
- (o) Excluded Assets. "Excluded Assets" shall have the meaning set forth in Section 2.02.
- (p) Expiration Date. "Expiration Date" shall have the meaning set forth in Section 3.01.
- (q) Facility(ies). "Facility" or "Facilities," as the case may be, shall mean that certain tract(s) or parcel(s) of land owned and/or leased by Lessor, which land is more particularly described in Exhibit A attached hereto, together with all rights, privileges, easements and appurtenances in connection therewith or belonging thereto and all buildings, fixtures, structures, improvements, machinery, equipment, computer hardware and software, office furniture and furnishings, and other tangible personal property situated on Lessor's land or affixed thereto, and all rights and interests appurtenant thereto, necessary for the operation of a grain business. A nonexhaustive list of the personal property included within the definition of "Facilities" is attached hereto as Exhibit B.
- (r) Fair Market Value. "Fair Market Value" shall mean the price at which a transaction would occur between a willing buyer and a willing seller, neither party being under any compulsion to

reason for determining the Fair Market Value of the particular asset and based upon the assumption that the asset is capable of being transferred without restriction.

(s) Hazardous Substance. "Hazardous Substance" shall mean, without limitation, any flammable substances, explosives, radon, radioactive materials, asbestos (and any substance or material containing asbestos), urea formaldehyde foam insulation, the group of organic compounds known as polychlorinated biphenyls, lead (and any substance or material containing lead), chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or other materials (including, without limitation, raw materials, final or intermediate products, and wastes) that may cause or pose a present or potential hazard to human health or safety or the Environment when Released or during manufacture, processing, generation, treatment, storage, transportation, disposal, abatement, removal, remediation, or any other use or handling; petroleum and petroleum-based products, including crude oil and any fraction thereof, natural gas or synthetic gas used for fuel; methane, hazardous materials, hazardous wastes, underground storage tanks or storage facilities; and other substances or related materials defined as hazardous or toxic in, or otherwise included within the scope of, any Environmental Law.

(t) Indemnified Taxes. "Indemnified Taxes" shall have the meaning set forth in Section 8.01.

(u) Landlord. "Landlord" shall have the meaning set forth in Section 2.04.

(v) Lease Year. "Lease Year" shall mean each successive twelve (12) month period commencing on the Commencement Date and on the anniversary date thereof.

(w) Legal Requirements. "Legal Requirements" shall have the meaning set forth in Section 18.01.

(x) Lessee. "Lessee" shall mean CLD Pacific Grain, LLC.

(y) Lessee Indemnities. "Lessee Indemnities" shall have the meaning set forth in Section 14.01(a).

(z) Lessee Losses. "Lessee Losses" shall have the meaning set forth in Section 14.01(a).

(aa) Lessor. "Lessor" shall mean Cargill, Incorporated.

(bb) Lessor Indemnities. "Lessor Indemnities" shall have the meaning set forth in Section 14.02(a).

(cc) Lessor Losses. "Lessor Losses" shall have the meaning set forth in Section 14.02(a).

(dd) LLC Agreement. "LLC Agreement" shall mean the Limited Liability Company Agreement between Cargill, Incorporated and Louis Dreyfus Corporation dated as of December 3, 2001.

(ee) Members. "Members" shall mean the owners of Lessee who, upon the Commencement Date, shall be Louis Dreyfus Corporation and Cargill, Incorporated, exclusively.

(ff) Net Book Value. "Net Book Value" shall mean, for any particular Capital Improvement, the original cost of such Capital Improvement less its accumulated book depreciation to date. Capitalization, depreciation method and useful lives shall be determined in accordance with generally accepted accounting principles.

(gg) Person. "Person" shall mean any individual, corporation, partnership, joint venture, association, trust, governmental authority or agency or any other entity or organization of any kind or character.

(hh) Permitted Exceptions. "Permitted Exceptions" shall have the meaning set forth in Section 2.03.

(ii) Post-Lease Environmental Evaluation. "Post-Lease Environmental Evaluation" shall have the meaning set forth in Section 14.04.

(jj) Post-Lease Environmental Evaluation Report. "Post Lease Environmental Evaluation Report" shall have the meaning set forth in Section 14.04.

(kk) Preliminary Environmental Evaluation. "Preliminary Environmental Evaluation" shall have the meaning set forth in Section 14.04.

(ll) Preliminary Environmental Evaluation Report. "Preliminary Environmental Evaluation Report" shall have the meaning set forth in Section 14.04.

(mm) Premises. "Premises" shall mean the Cargill Owned Facilities and the Cargill Leased Facilities, collectively.

(nn) Prime Leases. "Prime Leases" shall have the meaning set forth in Section 2.04.

(oo) Property Taxes. "Property Taxes" shall have the meaning set forth in Section 8.01.

(pp) Purpose. "Purpose" shall have the meaning set forth in Section 5.01.

(qq) Release. "Release" has the same meaning as given to that term under CERCLA or any other applicable Environmental Law or under the regulations promulgated under CERCLA or any other applicable Environmental Law and includes, without limitation, any contamination or spillage governed by any Environmental Law.

(rr) Rent. "Rent" shall have the meaning as set forth in Section 4.01.

(ss) Taking. "Taking" shall mean the transfer of the use, occupancy or title of the Premises, or any portion thereof, to an entity exercising the power of eminent domain in any actual or threatened action or proceeding pursuant to any law, general or special; a Taking affecting a "Substantial Portion of the Premises" means a Taking which renders the Premises or the Facility unsuitable or uneconomical for use and occupancy by Lessee for substantially the same purpose as the Premises or the Facility was used immediately prior to the Taking.

(tt) Taxes. "Taxes" shall have the meaning set forth in Section 8.01.

(uu) Technical Information. "Technical Information" shall mean all blueprints, drawings, specifications, operating instructions, and procedures and other technical information owned by Lessor or in Lessor's possession relating to the Facilities or the business conducted at the Facilities.

(vv) Term. "Term" shall have the meaning set forth in Section 3.01.

(ww) Work. "Work" shall have the meaning set forth in Section 17.01.

ARTICLE II
DEFINITION OF ASSETS; LEASE OF PREMISES

Section 2.01. Definition of Assets. This Lease relates to the lease of certain assets comprising the Premises owned by Lessor in or near Portland (Irving), Boardman, Oregon, and Lewiston, Idaho (the "Cargill Owned Facilities"), and the sublease of certain assets comprising the Premises leased by Lessor in or near Portland (Terminal 4), The Dalles and Arlington, Oregon, and Burbank and Pasco, Washington (the "Cargill Leased Facilities"), and the license of certain Technical Information, which assets are generally described as follows (the following collectively hereinafter referred to as the "Assets"):

- (a) the Cargill Owned Facilities;
- (b) the Cargill Leased Facilities; and
- (c) the Technical Information.

Section 2.02. Definition of Excluded Assets. The following properties of Lessor are not included in the Assets and are not being leased, subleased or licensed by Lessor to Lessee pursuant to this Lease (the following collectively hereinafter referred to as the "Excluded Assets"):

- (a) Cash on hand and in bank deposits;
- (b) Contracts and permits (assignable agreements, grain contracts and permits will be assigned by Lessor to Lessee pursuant to an Assignment and Assumption Agreement to be entered into between the parties independent of this Lease);
- (c) Accounts receivable; and
- (d) Inventory of grain owned by Lessor and located at the Facilities (inventory will be sold by Lessor to Lessee pursuant to a Bill of Sale entered into between the parties independent of this Lease).

Section 2.03. Lease of Cargill Owned Facilities. Upon and subject to the terms, conditions, covenants and agreements set forth in this Lease, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Cargill Owned Facilities.

Section 2.04. Sublease of Cargill Leased Facilities. Upon and subject to the terms and conditions, covenants and agreements set forth in this Lease, Lessor hereby subleases to Lessee the Cargill Leased Facilities, subject to the Permitted Exceptions. With respect to the Cargill Leased Facilities, this Lease is subject and subordinate to the primary leases between Lessor and Lessor's respective landlord's ("Landlord(s)") under such primary leases (the "Prime Leases"), which are listed on Exhibit A, and copies of which have been provided to Lessee. All the terms, covenants and conditions contained in the Prime Leases shall be applicable to this Lease with respect to the Cargill Leased Facilities with the same force and effect as if Lessor were the Landlord under the Prime Lease and Lessee were the tenant thereunder, including without limitation any rent obligation to the Landlords arising under the Prime Leases. Lessor shall have all rights against Lessee as would be available to the respective Landlords against the tenant under the Prime Leases if such breach were by the tenant thereunder. To the extent that there is any conflict between this Lease and the Prime Leases with respect to the Cargill Leased Facilities, and/or to the extent that the Prime Leases are more stringent than this Lease with respect to the Cargill Leased Facilities, then the applicable Prime Lease shall control with respect to the applicable Cargill Leased Facility(ies). Further, Lessee shall comply with any requirements of Landlords as may be set forth as a condition or requirement of Lessee in any such Landlord's consent to sublease the applicable Prime Lease.

hereunder with regard to the Cargill Leased Facilities are those to which Lessor is entitled under the Prime Leases, and that for all such services and rights, Lessee will look solely to the respective Landlords under the Prime Leases. Lessor will cooperate with Lessee to secure the cooperation of the Landlords under the Prime Leases with respect to any matter arising under the Prime Leases as to which such cooperation is reasonably required.

Section 2.05. License of Technical Information. Lessor grants to Lessee possession of and the right and license to use the Technical Information during the Term of this Lease.

ARTICLE III TERM AND TERMINATION OF LEASE

Section 3.01. Term. The term of this Lease shall commence effective as of December 3, 2001 (the "Commencement Date") and shall be coterminous with the LLC Agreement (the "Term," and the date of expiration of the Term shall be referred to as the "Expiration Date"), unless earlier terminated pursuant to this Lease. Each succeeding Lease Year shall commence upon the anniversary date of the Commencement Date.

Section 3.02. Default. The occurrence of any of the following events shall constitute a default by Lessor or Lessee (hereinafter referred to as "Event of Default"), as the case may be, in the performance of their respective obligations hereunder:

- (a) failure of Lessee to pay Rent within thirty (30) days after receiving written notice from Lessor notifying it of its delinquency, or failure of Lessee upon demand to pay any other amount required to be paid herein;
- (b) failure of either party to timely comply with any covenant, condition or obligation, other than the payment of Rent, imposed on or required to be performed by such party under this Lease (and such failure shall continue thirty (30) days after written notice has been provided to the breaching party by the non-breaching party);
- (c) failure of Lessee to perform or observe any covenant required to be performed or observed by Lessee under Article XIII hereof;
- (d) any representation or warranty made by either party herein shall prove to be untrue in any material respect as of the date of issuance or making thereof;
- (e) either party shall become insolvent or bankrupt or generally fail to pay, or shall admit in writing its inability to pay, its debts as they come due, or shall make an assignment for the benefit of, or any composition or arrangement with, its creditors, or shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, liquidator or other custodian, for itself, its business or all or a substantial part of its property, or, in the absence of such application, consent or acquiescence, a trustee, receiver, liquidator or other custodian shall be appointed for such party, its business or a substantial part of its property and is not discharged within one hundred and twenty (120) days;
- (f) any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy, insolvency or similar law of any applicable jurisdiction, or any dissolution, winding up or liquidation case or proceeding shall be commenced in respect of either party, and, if such case or proceeding is not commenced by such affected party, as it shall be consented to or acquiesced in by such party or remain undismissed for thirty (30) days; or such party shall take any action to authorize, or in furtherance of, any of the events described in subsection (e) or this subsection (f);
- (g) either party's business is dissolved, terminated or is discontinued;

(h) either party sells, transfers, or disposes of all or substantially all of its assets or property or a material portion thereof, or merges with any other entity or engages in any form of reorganization or recapitalization without the prior written consent of the other party;

(i) a transfer in the ownership of Lessee's outstanding Member interests or other action (issuance of new interests, etc.) resulting in a change in the controlling interest of Lessee without the prior written consent of Lessor;

(j) Lessee attempts to move, sell, or transfer any substantial personal property being leased to it hereunder, or encumber the Premises or part with possession, or sublet or assign this Lease or any interest herein without Lessor's prior written consent; or

(k) any act or omission by Lessee or Lessor that results in the termination or forfeiture of any rights under any of the Prime Leases.

Section 3.03. Lessor's Remedies. Upon the occurrence of any Event of Default of Lessee and at any time thereafter so long as the same shall be continuing, Lessor may, at its option, declare this Lease to be in default and may do one or more of the following with respect to the Premises as Lessor in its sole discretion shall elect, all of which are hereby authorized by Lessee, to the extent permitted by and subject to compliance with any mandatory requirements of applicable law then in effect:

(a) Lessor may terminate this Lease by giving Lessee written notice of termination, in which event Lessee shall immediately quit and vacate the Premises and deliver and surrender possession of the Premises to Lessor, and this Lease shall be terminated at the time designated by Lessor in its notice of termination to Lessee;

(b) with or without terminating this Lease, Lessor may enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying the Premises, without being liable for prosecution or any claim for damages;

(c) Lessor may re-lease the Premises or any part thereof, on such terms and conditions as Lessor may deem satisfactory, and receive the rent for any such re-leasing, in which event Lessee shall pay Lessor on demand any deficiency that may arise by reason of such re-leasing;

(d) Lessor may collect and sue Lessee, from time to time, for the amount of any annual Rent or other amounts then owing by Lessee to Lessor pursuant to this Lease;

(e) with or without terminating this Lease, Lessor may bring an action against Lessee to recover from Lessee all damages suffered, incurred or sustained by Lessor as a result of, by reason of or in connection with such Event of Default; or

(f) Lessor may do whatever Lessee is obligated to do under the terms of this Lease, in which event Lessee shall reimburse Lessor on demand for any expenses, including, without limitation, reasonable attorneys' fees, which Lessor may incur in effecting satisfaction and performance of or compliance with the Lessee's duties and obligations under this Lease.

Section 3.04. Prime Lease Termination. In the event that any one or more of the Prime Leases is canceled, expires, is not renewed or is otherwise terminated, this Lease shall terminate partially to the extent this Lease relates to the Assets that are the subject of or related to the Prime Lease; provided, however, that (a) if Lessor desires to extend or renew such Prime Lease or enter into a new lease with Landlord, Lessor shall have the right to negotiate such renewal, in good faith consultation with Lessee and subject to Lessee's approval, which shall not be unreasonably withheld; and (b) if Lessor has no desire to extend or renew the Prime Lease or enter into a new lease with the Landlord, then Lessee may in

shall coincide with the termination of the Prime Lease(s). All rent payable will be prorated to the date of termination. Lessor shall use its best efforts to continuously inform Lessee of negotiations pertaining to such a termination. Lessor shall not agree to the early termination of any of the Prime Leases without the prior written consent of the Lessee. To the extent that Lessor has the right under any of the Prime Leases to exercise any one or more options to renew such Prime Leases, Lessee reasonably may require Lessor to exercise, or not to exercise, such option(s), as the case may be.

Section 3.05. Lessee's Remedies. Upon the occurrence of any Event of Default by Lessor and at any time thereafter so long as the same shall be continuing, Lessee may, at its option, terminate partially this Lease with respect to the Facilities that are the subject of or related to the Event of Default, or may terminate the entire Lease in the event that all Facilities are the subject of or related to the Event of Default, by giving Lessor written notice of termination, in which event Lessee shall immediately quit and vacate the Premises which are the subject of the termination and deliver and surrender possession of such Premises to Lessor, and this Lease, and Lessee's obligations under it shall be terminated at the time designated by Lessee in its notice of termination to Lessor, except to the extent of any obligations that have accrued as of the termination date.

Section 3.06. Non-Exclusive Remedy. The right of either party to terminate this Lease as set forth hereinabove shall be in addition to and not in exhaustion of such other rights and remedies as may be available under this Lease, at law or in equity.

ARTICLE IV RENT

Section 4.01. Rent. During the Term of this Lease, Lessee shall pay to Lessor at Lessor's address specified in Section 24.01, an annual rental of ONE MILLION FOUR HUNDRED THOUSAND DOLLARS AND NO/100 (\$1,400,000.00) (hereafter "Rent"), payable in equal quarterly installments of THREE HUNDRED AND FIFTY THOUSAND DOLLARS AND NO/100 (\$350,000.00) each, payable in advance on the first day of each calendar quarter during each Lease Year, with the first payment being due and payable on the Commencement Date; provided, however, in the event the Term commences or ends other than coincident with the first and last day of a calendar quarter respectively, then Rent for such partial quarter shall be prorated for the number of days of such quarter included in the Term on the basis of a ninety (90) day quarter and payable for such partial quarter in advance of such period. In the event that any installment of Rent is due on any Saturday, Sunday, national or bank holiday, or other day which is not a regular business day, such installment need not be made on such day, but may be made on the next succeeding regular business day which is not a Saturday, Sunday, or national or bank holiday, and no interest shall accrue as a result of any such delay in payment. The annual rental set forth hereinabove is more specifically detailed in Exhibit C attached hereto and the parties agree that the fair portion of the Rent allocated to each Facility is as set forth in such Exhibit. "Rent" as defined herein shall be in addition to Lessee's obligation to pay all rents under the Prime Leases as set forth in Section 2.04.

Section 4.02. Rent Adjustment. Upon the commencement of each successive five (5) year period from the Commencement Date, the Rent shall be increased by an amount equal to the result of the then current Rent multiplied by the increase, if any, in the U.S. Consumer Price Index for the immediately preceding five (5) year period of the Lease Term (as such Consumer Price Index is published in the Money Rates section of the Wall Street Journal on the first and last day, or nearest day thereto, when published).

Section 4.03. Change in Scope of Assets. To the extent the scope of the Assets leased and licensed to Lessee is increased or decreased during the Term hereof by the parties' mutual written agreement, by a Casualty, or by a Taking, the parties recognize that corresponding increases or decreases in Rent may be necessary, depending upon what affect such increase or decrease in scope would have on the value of Lessor's Assets. If the parties mutually determine that the scope of the Assets leased by

Lessor to Lessee should be increased or decreased, or if a Casualty or Taking occurs, as the case may be, the parties will mutually determine what impact, if any, such increase or decrease will have on the Rent to be paid pursuant to this Lease. If the parties cannot agree on the applicable increase or decrease in the scope of the Assets (if any), Casualty or Taking, as the case may be, such determination shall be submitted to an appraisal company mutually acceptable to Lessor and Lessee for a final and binding determination on the impact such increase, decrease, Casualty or Taking shall have on the Rent of Lessor's Assets. Any agreement or determination resulting in a change in the Rent payable under this Lease must be reduced to writing and executed by Lessor and Lessee, and shall be effective from the date on which such increase or decrease in the scope of the Assets, Casualty or Taking occurred. The parties shall equally share the costs of any independent third party appraiser retained pursuant to this Section.

Section 4.04. Interest Charge. Lessee shall pay to Lessor interest on all Rent not paid within thirty (30) days from the due date thereof until paid at a rate equal to one and one-half percent (1½%) per month or the highest lawful rate, whichever is less.

ARTICLE V **USE OF PREMISES**

Section 5.01. Use of Premises. Lessee may use the Premises leased hereunder solely for the Business Purpose, as defined in the LLC Agreement (the "Purpose"). Notwithstanding the foregoing, Lessee shall not use or occupy the Premises, or permit the Premises to be used or occupied, in violation of any Legal Requirements or in such a way as to invalidate any insurance on the Premises.

ARTICLE VI **LESSOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 6.01. Representations and Warranties. As an inducement to Lessee to enter into this Lease, Lessor represents, warrants and covenants to Lessee that on the date hereof:

(a) No Inconsistent Obligations. Neither the execution and delivery of this Lease, nor the consummation of the transactions contemplated herein, will result in a violation or breach of, or constitute a default under any contract or agreement, deed to secure debt, security agreement, personal property lease or any other commitment or restriction of any nature whatsoever, to which all or any part of the Land or Facilities are subject or bound; nor will such actions result in the creation of any claim, lien, charge or encumbrance on any portion of the Land or Facilities.

(b) Land and Facilities.

(i) With respect to Land and/or Facilities owned by Lessor, Lessor will own the Land and Facilities free and clear of any liens, charges, claims, security interests, encumbrances or other restrictions, whether existing of record or otherwise.

(ii) With respect to Land and/or Facilities not owned by Lessor, Lessor will have secured any required consent of any applicable third parties to sublease any such Land and Facilities, if any, but which will be subleased to Lessee pursuant to this Lease, such Land and Facilities being free and clear of any liens, charges, claims, security interests, encumbrances or other restrictions, whether of record or otherwise, except for the Permitted Exceptions as set forth in Exhibit C attached hereto.

(iii) Lessee shall peaceably hold and enjoy the Land and Facilities with exclusive control and possession thereof during the Term, subject to the terms and conditions of this Lease and the Prime Leases to the extent required in this Lease.

(c) Existence. Lessor is a corporation duly organized and validly existing under the laws of the State of Delaware.

(d) Authority. Lessor has the power and authority to lease the Land and Facilities to Lessee and consummate this Lease, and this Lease and all instruments and agreements contemplated by this Lease to which Lessor is a party or signatory have been duly authorized, executed and delivered by Lessor and constitute the legal, valid and binding obligations of Lessor.

(e) No Claims or Investigations. There is no litigation, action, claim, proceeding, or governmental investigation pending or threatened against Lessor which would have a materially adverse effect on Lessor's ability to fulfill its obligations arising under this Lease.

(f) Condemnation; Taking. Lessor has not received any notice nor is it aware of any pending action to Take all or any portion of the Land, nor has Lessor agreed or committed to dedicate any part of the Land for a Taking or otherwise.

(g) Compliance with Laws. To the best of Lessor's knowledge, Lessor is in substantial compliance with all material laws, rules and regulations applicable to the Facilities.

(h) Full Force and Effect. The Prime Leases are in full force and effect, and to the best of Lessor's knowledge, no default exists under the Prime Leases, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute a default thereunder.

Section 6.02. DISCLAIMER OF WARRANTIES. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 6.01 ABOVE, LESSOR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OF ANY KIND WHATSOEVER RELATING TO THE PREMISES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE PREMISES; THE QUALITY OR CAPACITY OF THE PREMISES; THE WORKMANSHIP IN THE PREMISES; COMPLIANCE OF THE PREMISES WITH THE REQUIREMENTS OF ANY LAW, RULE OR SPECIFICATION; OR PATENT INFRINGEMENTS OR LATENT DEFECTS, IT BEING UNDERSTOOD AND AGREED THAT THE PREMISES ARE BEING LEASED "AS IS" AND "WITH ALL FAULTS" AND THAT ALL RISKS AS BETWEEN LESSOR AND LESSEE SHALL BE BORNE BY LESSEE. **LESSOR SHALL NOT BE RESPONSIBLE FOR LOSS OF PROFIT OR FINANCIAL LOSS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES HOWSOEVER ARISING, INCLUDING, BUT NOT LIMITED TO, LOSS OR INTERRUPTION OF BUSINESS, EVEN IF DIRECTLY OR INDIRECTLY CAUSED BY OR ATTRIBUTABLE TO THE INADEQUACY OF THE PREMISES.**

ARTICLE VII LESSEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations and Warranties. As an inducement to Lessor to enter into this Lease, Lessee represents, warrants and covenants to Lessor that on the date hereof that:

(a) Existence. Lessee is a limited liability company duly organized and validly existing under the laws of the State of Delaware.

(b) Authority. Lessee has the power and authority to lease the Land and Facilities from Lessor and consummate this Lease, and this Lease and all instruments and agreements contemplated by this Lease to which Lessee is a party or signatory have been duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee.

(c) No Claims or Investigations. There is no litigation, action, claim, proceeding, or governmental investigation pending or threatened against Lessee which would have a materially adverse effect on Lessee's ability to fulfill its obligations arising under this Lease.

(d) Licenses and Permits. Lessee has obtained all material licenses, permits, tariffs and governmental approvals required by applicable law or governmental regulations necessary or appropriate in connection with the ownership and operation of the Assets except those of which Lessor has been notified by Lessee in writing and to which Lessor has consented. To the knowledge of Lessee, Lessee is in substantial compliance with all material laws, ordinances, rules or regulations applicable to the ownership and operation of the Facilities including, but not limited to, OSHA and EPA regulations or similar regulations (including Environmental Laws) and all zoning, building or use regulations and ordinances.

(e) Prime Leases. Lessee has read and is familiar with the terms of the Prime Leases.

ARTICLE VIII **TAXES AND ASSESSMENTS**

Section 8.01. Taxes and Assessments on the Premises. Lessee shall pay as and when they become due and payable, and upon demand shall indemnify, defend and hold harmless each Lessor Indemnitee against, all federal, state, local and foreign taxes (including real and personal property taxes, ad valorem taxes, sales and use taxes and assessments (whether general or special, levied, assessed or imposed upon the Premises (and any additions or improvements thereto)), all taxes and assessments levied, assessed or imposed on Lessee's personal property, rental taxes, transfer taxes, excise taxes, registration and recording taxes, license taxes and other government fees, charges, assessments or withholdings, (together with any penalties, interest or additions thereto) ("Taxes") imposed by any governmental authority during the Term with respect to (i) the Premises, (ii) the lease, sublease, operation, ownership, maintenance, improvement, leasing, transfer, disposition or condition of the Premises, or (iii) this Lease, the Prime Leases or the Transactions contemplated hereunder or thereunder or in related documents; excepting only Taxes imposed on the Lessor or Landlord in the nature of net income taxes with respect to Rent paid hereunder (collectively the "Indemnified Taxes"); provided, however, that Lessor shall be responsible for all personal property, real property and other similar Taxes and assessments levied, assessed or imposed upon the Premises ("Property Taxes") with respect to the period of time prior to the Commencement Date regardless of when such taxes and assessments are due and payable.

Section 8.02. Proration of Taxes. Should the Term hereof expire or sooner terminate as herein provided during a fiscal year for the payment of any such Property Taxes, there shall be a proration between the parties hereto of that portion of the Property Taxes allocable to the Land and Facilities for such year. Such proration shall be on the basis of the then most recent tax bills assessed against the Land and Facilities with appropriate adjustment made at the time actual bills are received.

Section 8.03. Contest of Taxes. So long as in the reasonable judgment for the Lessor such contest does not create a material risk of forfeiture or criminal liability and so long as Lessee has agreed, in a manner satisfactory to the Lessor, to pay any costs of such contest and any required indemnity should the contest prove unsuccessful, Lessee may, at its cost and expense and in its own name, contest any Indemnified Taxes and assessments and, in the event of any such contest, may permit the Indemnified Taxes so contested to remain unpaid during the period of such contest and any appeal therefrom. Lessor shall cooperate with Lessee in all such protests and shall provide to Lessee, on request, documentation reasonably requested by Lessee to support any such contest of Indemnified Taxes.

ARTICLE IX
UTILITIES AND SERVICES

Section 9.01. Utilities and Services. Lessee shall make all arrangements for, and pay or cause to be paid when due, all charges for utilities and services incurred in the operation, use and occupancy of the Premises, including, but not limited to, electricity, gas, water, sanitary and storm sewer. Lessor shall have no obligation to provide any such utilities and services and in no event shall Lessor have any liability for the interruption of any such utilities and services. All utility charges, including without limitation, gas, oil, electricity, telephone, sewer and water, pertaining to the Facilities shall be prorated between Lessor and Lessee as of the Commencement Date; and accordingly, any invoices for utility charges received following said Commencement Date which have accrued up to and including the Commencement Date shall be for Lessor's account and any invoices for utility charges which accrue after the Commencement Date shall be for Lessee's account.

ARTICLE X
MAINTENANCE AND REPAIRS

Section 10.01. Maintenance and Repairs. Lessee shall maintain the Premises in good order, repair and condition, reasonable wear and tear excepted, and shall make all structural and nonstructural, foreseen and unforeseen and ordinary and extraordinary repairs and replacements which may be required to keep the Premises in good order, repair and condition, reasonable wear and tear excepted, and in compliance, in all material respects, with Legal Requirements. All repairs, maintenance, replacements and the like shall be completed in accordance with the provisions of Article XVII hereof.

ARTICLE XI
ALTERATIONS, ADDITIONS, ENHANCEMENTS AND CAPITAL IMPROVEMENTS

Section 11.01. Capital Improvements. Except to the extent limited in any of the Prime Leases, Lessee shall have the right, from time to time, to make any additions, alterations, enhancements and improvements to the Premises that Lessee desires to make; provided that such additions, alterations or improvements shall have no material adverse effect on the value of Lessor's Land or Facilities and shall be completed in accordance with the provisions of Article XVII (hereafter "Capital Improvements").

Section 11.02. Title to Capital Improvements. Except as may be otherwise provided in the Prime Leases or as provided herein, title to all Capital Improvements shall transfer to Lessor upon termination of this Lease (or upon partial termination of this Lease with respect to Capital Improvements located at a Facility that is the subject of partial termination of this Lease); provided, however, (i) if Lessee is able to do so without material, unrepaired damage to the Facility(ies), Lessee may remove such Capital Improvements prior to the termination or partial termination of this Lease, or (ii) at the election of Lessor by notice to Lessee prior to the termination (or partial termination as the case may be) Lessor may elect to purchase such Capital Improvements, in which event Lessor shall pay to Lessee the Net Book Value of such Capital Improvements.

ARTICLE XII
ACCESS AND INSPECTION

Section 12.01. Access and Inspection. Lessor shall have no duty or obligation to enter or inspect the Premises leased hereunder but shall have the right to do so (i) in order to ensure Lessee's compliance with the terms of this Lease and the Prime Leases, (ii) in the event of Lessee's violation of any Environmental Laws which impact the Land or Facilities, or (iii) any other breach by Lessee of the terms and conditions of this Lease or the Prime Leases. Any such entry and inspection shall be accomplished only after prior arrangement with Lessee and in a manner so as to cause the least interference reasonable with Lessee's business operations and, if required by Lessee, only when accompanied by a designated representative of Lessee. Lessor's agents and representatives shall comply with all Lessee's plant safety

and other rules and regulations while at the Premises. Notwithstanding anything to the contrary in this Section, Lessor reserves the right to enter the Premises without notifying Lessee so long as it does not unreasonably interfere with the operations of Lessee if any Environmental Release occurs, any significant Environmental condition is discovered, or any other significant incident or event occurs on the Premises in which Lessor desires to investigate and monitor the matter.

ARTICLE XIII **INSURANCE**

Section 13.01. Lessee's Insurance Requirements. Lessee shall maintain in full force and effect, at all times during the Term of this Lease, all insurance in types and amounts reasonably required by Lessor and which are customary to be obtained by tenants under long-term leases of this nature and which are otherwise consistent within the terms of this Lease. Such insurance shall include, without limitation, a minimum of the following types of insurance:

(a) Workers' Compensation insurance, including without limitation Long Shore and Harbor Workers coverage, with statutory limits.

(b) Employer's Liability insurance with limits of One Million Dollars (\$1,000,000) on a per occurrence basis.

(c) All Risk Property insurance (or special causes of loss form) insuring the Facilities in an amount equal to the full replacement value of the Facilities, or other amount as mutually agreed by the parties. Such insurance shall include coverage for debris removal and demolition expenses.

(d) Commercial General Liability insurance, including contractual liability, with primary limits of not less than One Million Dollars (\$1,000,000) on a per occurrence basis.

(e) Auto Liability insurance with primary limits of not less than One Million Dollars (\$1,000,000) on a per occurrence basis.

(f) Umbrella Liability insurance with limits of not less than Five Million Dollars (\$5,000,000) on a per occurrence basis.

Section 13.02. Insurance Policies. Any insurance required to be maintained pursuant to Section 13.01 shall be written by companies reasonably acceptable to the parties and legally qualified to issue such insurance. The All Risk Property, Commercial General Liability, Auto Liability and Umbrella Liability insurance policies shall name "Cargill, Incorporated" and the Landlord(s) under the Prime Leases as an additional insured. Each policy shall provide that it will not be canceled, non-renewed or the coverage thereof reduced from the requirements set forth in Section 13.01, except after not less than thirty (30) days written notice to Lessee and Lessor. Prior to the Commencement Date and thereafter upon each policy renewal, Lessee shall deliver to Lessor copies of policies or certificates of insurance, as requested by Lessor, evidencing the existence of all insurance which is required to be maintained by Lessee hereunder.

Section 13.03. Notification of Significant Events to Lessor. In the event any serious personal injury (including death) or property damage occurs at any Facility, Lessee agrees to give Lessor prompt notice and a general description of the occurrence. Lessee agrees to reasonably cooperate with Lessor in the event Lessor has any questions concerning such personal injury or property damage.

ARTICLE XIV
INDEMNIFICATION

Section 14.01. Indemnification by Lessor.

(a) Lessor shall defend, indemnify and hold harmless Lessee, its Members (excluding Lessor), its Members' affiliates, and their respective officers, directors, employees, agents and representatives ("Lessee Indemnitees") from and against and in respect of any and all claims, liabilities, losses, damages, fines, penalties, costs or expenses (including reasonable attorneys' fees, expert and consultant fees, investigation costs and response, removal, and corrective action and other remediation or cleanup costs) suffered or incurred by any Lessee Indemnatee (collectively, "Lessee Losses") to the extent such Lessee Losses arise from, by reason of or in connection with (i) any negligent act or omission or the willful misconduct of Lessor or any of its officers, directors, employees, agents or representatives with respect to a duty owed Lessee hereunder, (ii) any misrepresentation, breach of warranty or breach or nonfulfillment of any agreement or covenant of Lessor contained in this Lease, or (iii) the ownership, possession, occupancy or use of the Premises by Lessor prior to the Term of this Lease (including but not limited to Lessee Losses arising out of Lessor's handling, storage, discharge, transport or disposal of Hazardous Substances). Notwithstanding the foregoing, in the absence of fraud and except as otherwise provided in this Lease, Lessee shall be solely responsible for all Lessee Losses that arise from any structural or operational defect, deficiency or failure ("Deficiency") of any of the improvements, machinery and equipment at the Facilities ("Deficiency Related Losses"), regardless of whether any such Deficiency existed prior to the Effective Date.

(b) Lessor's obligations under this Section 14.01 shall survive the expiration or early termination (or partial termination) of this Lease for any reason. Lessee shall notify Lessor within a reasonable time after any claim for indemnification arises and is known to Lessee and shall give Lessor a reasonable opportunity (i) to conduct any proceedings or negotiations in connection therewith necessary or appropriate to defend any Lessee Indemnatee, (ii) to take all other required steps or proceedings to settle or defend any such claim, and (iii) to employ counsel, reasonably acceptable to Lessee, to contest any such claim in the name of any Lessee Indemnatee or otherwise; and all expenses in connection therewith shall be borne by Lessor. If Lessor fails, within a reasonable time (not to exceed sixty (60) days) to take the foregoing actions, Lessee may employ its own counsel and take any or all of the foregoing actions, all at the cost and expense of Lessor.

Section 14.02. Indemnification by Lessee.

(a) Lessee shall defend, indemnify and hold harmless each Lessor Indemnatee from and against and in respect of any and all claims, liabilities, losses, damages, fines, penalties, costs or expenses (including reasonable attorneys' fees, expert and consultant fees, investigation costs and response, removal, and corrective action and other remediation or cleanup costs) suffered or incurred by any Lessor Indemnatee (collectively, "Lessor Losses") to the extent such Lessor Losses arise from, by reason of or in connection with (i) the possession, occupancy or use by Lessee or its employees of the Premises during the Term of this Lease (including but not limited to Lessor Losses arising out of the handling, storage, discharge, transport or disposal of Hazardous Substances), (ii) any negligent act or omission or the willful misconduct of Lessee or any of its officers, directors, employees, agents or representatives, (iii) any misrepresentation, breach of warranty or breach or nonfulfillment of any agreement or covenant of Lessee contained in this Lease, (iv) any Work on the Premises done by or on behalf of Lessee pursuant to Article XVII, or (v) any Deficiency Related Losses. Further, with respect to the Leased Facilities, Lessee shall neither do nor permit anything to be done which would cause any of the Prime Leases to be terminated or forfeited by reason of any right of termination or forfeiture reserved or vested in the Landlords under the Prime Leases, and Lessee shall indemnify and hold Lessor harmless from and against all claims of any kind whatsoever by reason of any breach or default on the part of Lessee by reason of which any one of the Prime Leases may be terminated or forfeited.

(b) Lessee's obligations under this Section 14.02 shall survive the expiration or early termination (or partial termination) of this Lease for any reason. Lessor shall notify Lessee within a reasonable time after any claim for indemnification arises and is known to Lessor and shall give Lessee a reasonable opportunity (i) to conduct any proceedings or negotiations in connection therewith necessary or appropriate to defend any Lessor Indemnitee, (ii) to take all other required steps or proceedings to settle or defend any such claim, and (iii) to employ counsel, reasonably acceptable to Lessor, to contest any such claim in the name of any Lessor Indemnitee or otherwise; and all expenses in connection therewith shall be borne by Lessee. If Lessee fails, within a reasonable time (not to exceed sixty (60) days) to take the foregoing actions, Lessor may employ its own counsel and take any or all of the foregoing actions, all at the cost and expense of Lessee.

Section 14.03. Environmental Notices. Each party shall immediately provide the other party with a copy of all notifications (written or oral), including any form of notice, inquiry, investigation, request for information or records or governmental order or claim, which such party gives or receives after the Commencement Date and which relates to: (i) any actual or alleged non-compliance by Lessor or Lessee with, or obligation or liability of Lessor or Lessee under any Environmental Law to the extent such Environmental Law relates to the Premises or the party's ownership or use of or operations or activities on the Premises, or (ii) any actual or alleged past, present or future Release or threatened Release of any Hazardous Substance on, at, under or from the Land.

Section 14.04. Environmental Assessments. The parties have jointly conducted an Environmental evaluation of the Premises satisfactory to both parties (the "Preliminary Environmental Evaluation"), and each party has received a copy of the reports as to the Environmental condition of the Premises immediately prior to the Commencement Date (the "Preliminary Environmental Evaluation Report"), such Preliminary Lease Environmental Evaluation Report being incorporated herein by this reference. The parties also agree to jointly conduct, immediately prior to or immediately after the Expiration Date or the earlier termination of this Lease, as the case may be, through an environmental firm mutually acceptable to the parties (or through mutually acceptable employees or representatives of Lessor and Lessee), an Environmental evaluation of the Premises satisfactory to both parties (the "Post-Lease Environmental Evaluation"). Each party shall receive a copy of the reports as to the Environmental condition of the Premises as of the date of this Lease's expiration or earlier termination, as applicable (the "Post-Lease Environmental Evaluation Report"). The parties agree that for purposes of this Article XIV, the Preliminary Lease Environmental Evaluation Report shall be used by the parties as evidence of the Environmental condition of the Premises as of the Commencement Date of this Lease and the Post-Lease Environmental Evaluation Report shall be used by the parties as evidence of the Environmental condition of the Premises as of the Expiration Date (or earlier termination date, if applicable) of this Lease. The parties understand that the Preliminary Environmental Evaluation Report and the Post-Lease Environmental Evaluation Report are not intended to be all-inclusive, but shall serve as a general, preliminary baseline as to the Environmental conditions which existed at the Facilities at the time such documents were prepared.

Section 14.05 Structural and Operational Assessments. The parties have jointly conducted structural and operational assessments of the Facilities for the purpose of identifying any structural or operational defect, deficiency or failure that shall not be considered a Deficiency for purposes of this Lease and which are identified on Exhibit D attached hereto, and which shall be resolved in the manner set forth in Exhibit D.

ARTICLE XV **FIRE AND CASUALTY**

Section 15.01. Casualty Loss. If any Facility leased to Lessee hereunder is substantially damaged or destroyed by a Casualty, to the extent that Lessee cannot continue its normal business operations at such Facility or if the Facility is rendered untenable or unfit for occupancy as a result

thereof, then and in such event, Lessee may elect to terminate this Lease, but only as applicable to, and to the extent that it relates to, such damaged or destroyed Facility by notice to Lessor within one hundred and eighty (180) days after the occurrence of such damage or destruction. In the event of such a termination, all insurance proceeds received in connection with such damage or destruction, less any portion applied to the cost of repairing, razing, cleanup and environmental restoration of the Facility, shall be paid to Lessor. In the event any portion of this Lease is terminated because of damage or destruction to a particular Facility, the Rent payable under Section 4.01 hereunder shall be recalculated as a result of such termination in accordance with Section 4.02 herein. To the extent a Casualty occurs which causes any Facility (or portion thereof) to be untenable for Lessee, Lessee's obligation to pay Rent during such period shall be proportionately abated.

ARTICLE XVI **CONDEMNATION**

Section 16.01. Total Taking. If there occurs a Taking of all or a Substantial Portion of the Premises, other than a Taking for temporary use not exceeding one hundred and eighty (180) days, then this Lease shall terminate effective as of the Date of Taking, and such date shall be the Expiration Date, without prejudice, however, to the rights of Lessor and Lessee to recover an Award.

Section 16.02. Partial Taking. If there occurs a Taking of less than a Substantial Portion of the Premises, then this Lease and all duties and obligations of Lessee under this Lease shall remain unmodified, unaffected and in full force and effect, except that Rent shall be proportionally abated during the reconstruction, restoration and repair of the Facility(ies).

Section 16.03. Temporary Taking. If there occurs a Taking of the Premises or any portion thereof, for temporary use not exceeding one hundred and eighty (180) days, then this Lease shall remain in full force and effect for the remainder of the Term except that Rent shall be proportionally abated during the period of such temporary Taking and, provided that during such time as Lessee shall be out of possession or use of the Premises by reason of such Taking, the failure to keep, observe, perform, satisfy and comply with the terms and conditions of this Lease due to such Taking, shall not be an Event of Default hereunder.

Section 16.04. Awards. Any Award for a Taking, permanent or temporary, of all or any portion of the Premises shall be paid to the Lessor or Lessee, as their interests may appear.

ARTICLE XVII **WORK AT THE FACILITIES**

Section 17.01. Standards for Performance. Lessee shall cause all work permitted or required to be done at the Premises pursuant to Articles X and XI hereof (the "Work") to be in compliance with all Legal Requirements. Lessee shall be solely responsible for construction means, methods, techniques, sequences and procedures, and for coordinating all activities related to the Work. Lessor shall have no duty or obligation to inspect the Work, but shall have the right to do so.

Section 17.02. Completion of Work. Whenever Lessee elects or is required to perform any Work upon the Premises, Lessee shall promptly commence the Work and, once commenced, diligently and continuously pursue the Work and complete the Work within a reasonable time.

Section 17.03. Liens. Unless required by law, Lessee shall not permit the filing of any liens or other encumbrances against the Land or Facilities whether such liens or encumbrances may be filed by contractors, subcontractors, suppliers or materialmen in connection with the Work or otherwise. Lessee shall use its best commercial efforts to have any liens or encumbrances against the Land or Facilities removed in a timely manner.

ARTICLE XVIII
COMPLIANCE WITH LAWS

Section 18.01. Compliance with Laws. Lessee, at its cost and expense, shall during the Term of this Lease comply in all material respects with all federal, state and local laws, rules, regulations, codes, ordinances, orders and other requirements, present or future, that are promulgated by (i) any governmental, administrative, regulatory authority, bureau or agency, or (ii) court, tribunal or administrative body having jurisdiction over the Premises and that are applicable to the Premises or the ownership, lease, use or occupancy thereof by Lessee during the Term of this Lease, including but not limited to, all Environmental Laws (collectively, the "Legal Requirements").

ARTICLE XIX
ASSIGNMENT; PLEDGE OF LEASEHOLD INTEREST

Section 19.01. Assignment. Lessee shall neither assign this Lease or any right, interest or obligation hereunder nor sublet all or any part of the Land or Facilities without the prior written consent of Lessor, which may be withheld for any or no reason. Any assignment or sublease consented to by Lessor shall be subject to all of the terms, covenants, conditions, requirements, restrictions and provisions of this Lease, and as applicable, the Prime Leases. No assignment or sublease permitted hereunder shall release Lessee from liability for the performance of any of its duties and obligations hereunder and Lessee shall be and remain primarily liable for the performance of this Lease by its assignee. Any attempted assignment, sublease or transfer of this Lease or any interest herein not complying with the requirements of this Section shall be deemed null and void and of no legal consequence.

Section 19.02. No Mortgage or Pledge. Lessee shall not, without the prior written consent of Lessor, which consent may be withheld for any or no reason, mortgage, pledge, transfer, assign or convey any estate or interest of Lessee under this Lease to secure any indebtedness of Lessee or for any other purpose.

ARTICLE XX
EXPIRATION; SURRENDER

Section 20.01. Expiration; Surrender. Except as otherwise provided herein, this Lease shall terminate on the Expiration Date, except with respect to obligations and liabilities of the parties hereunder, actual or contingent, which have arisen on or prior to the Expiration Date. On the Expiration Date, Lessee shall surrender possession of the Assets to Lessor, in good order, safe condition and repair, ordinary wear and tear excepted. Lessee shall have the right, but not the obligation, to remove from the Facility any personal property of any kind or nature owned by Lessee prior to the Expiration Date, provided that the portion of the Premises to which such items may have been affixed shall be restored by Lessee to good order, safe condition and repair. All property of Lessee which is not timely removed by Lessee from the Premises as aforesaid, at the option of Lessor, (i) shall become the property of Lessor on an "as is, where is" basis, or (ii) may be removed from the Premises by Lessor at Lessee's cost and expense and, in neither case, shall Lessee have any claims against Lessor with respect thereto. All machinery, equipment, computer hardware and software, office furniture and furnishings and other tangible personal property which is included within the definition of "Facilities" and originally leased by Lessor to Lessee hereunder shall remain the property of Lessor and shall be surrendered to Lessor upon this Lease's expiration or earlier termination. Lessee shall use commercially reasonable efforts in maintaining adequate records identifying leased personal property as compared to personal property which is purchased and owned by Lessee during its use and occupation of the Premises.

ARTICLE XXI
SIGNAGE

Section 21.01. Signage. Lessee shall have the right to designate, and thereafter change, the name of the Premises, and may install signs, sculptures or graphics identifying the Premises by Lessee's (or any permitted successor and assign) name or logo.

Section 21.02. No Proprietary Rights. Lessor shall not have any proprietary rights, under this Lease, in or to the name or logo given to the Premises by Lessee. In addition, Lessor shall not have any right under this Lease to use such name or logo except as a means of identifying the Premises and then only for so long as Lessee occupies the Premises.

ARTICLE XXII
CONFIDENTIALITY

Section 22.01. Terms of Lease Confidential. Lessor and Lessee agree that the contents of this Lease and any other agreement entered into between the parties shall be maintained in strict confidence and shall not be disclosed by either party to any third party without the prior written consent of the other party, except as required by law.

ARTICLE XXIII
NET LEASE

Section 23.01. Net Lease. It is understood and agreed that the Rent provided for herein shall be absolutely net to Lessor throughout the Term of this Lease, free of any real estate taxes, assessments, insurance premiums, utility costs, repair and maintenance costs and all other operating costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and/or the ownership, leasing, operation, maintenance, repair, use or occupation thereof, or with respect to any interest of Lessor therein, it being the intention of the parties hereto that by the execution of this Lease, Lessee shall, during the Term, assume with respect to the Premises every obligation relating thereto which the ownership thereof would entail and which, but for this Lease, would be borne by Lessor. This Lease is a "triple net lease" and, notwithstanding any law to the contrary, all Rent payable under this Lease by Lessee shall be paid without offset, counterclaim, abatement or defense, and this Lease shall not be subject to termination by Lessee by reason of any cause whatsoever, unless such right to terminate is expressly set forth in this Lease.

ARTICLE XXIV
MISCELLANEOUS

Section 24.01. Notices. All rental payments, notices, requests, demands or other communications required or permitted to be given or made under this Lease shall be in writing and delivered personally or sent by overnight courier, telecopy transmission or prepaid, certified or registered U.S. airmail, return receipt requested and duly addressed as set forth below. Any such notice, demand, request or communication shall be deemed to have been duly given (i) immediately if delivered personally or made by a confirmed telecopy, (ii) the day of delivery to the recipient if sent by overnight courier, or (iii) five (5) days after mailing. In proving the same it shall be sufficient to show that the envelope containing the notice, demand, request or communication was duly addressed, stamped and posted or that receipt of a facsimile was confirmed by the recipient. The addressees and telecopy numbers of the parties for purposes of this Lease are as follows:

To Lessor:	Cargill, Incorporated
	15407 McGinty Road West
	Wayzata, Minnesota 55391-2399
	Attention: US NAGORI Leader

Fax: (952) 742-7242

To Lessee: CLD Pacific Grain, LLC
Suite 1133
222 S.W. Columbia
Portland, Oregon 97201
Attention: Arnie Schaufler
Fax: (503) 243-5079

Any party hereto may change its address for the purpose of this Lease by giving written notice to the other party at the address and in the manner provided above.

Section 24.02. Headings. The headings appearing in this Lease were inserted for the purposes of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the provisions to which they appertain.

Section 24.03. Binding Effect. Subject to the provisions of Section 19.01, all provisions contained in this Lease shall be binding upon, inure to the benefit of, and shall be enforceable by, the respective permitted successors and assigns of Lessor and Lessee to the same extent as if each such permitted successor and assign were named as a party hereto.

Section 24.04. Severability. If any provision of this Lease, or the application thereof to any Person or circumstance, shall be held to be invalid or unenforceable, then in each such event the remainder of this Lease or the application of such provision to any other Person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 24.05. Waiver. No failure on the part of any party to exercise, and no delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy by any such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No express waiver or assent by any party hereto to any breach of or default in any term or condition of this Lease shall constitute a waiver of or an assent to any succeeding breach of or default of the same or any other term or condition hereof. Any waiver of a provision of this Lease shall be in writing and signed by the waiving party.

Section 24.06. Applicable Law. This Lease shall be governed by, construed under and interpreted and enforced in accordance with the internal laws of the State of Delaware.

Section 24.07. Entire Agreement. This Lease, including Exhibits A through E attached hereto, contains the entire understanding between Lessor and Lessee with respect to the subject matter hereof. No representations, warranties, inducements, understandings, promises or agreements, oral or otherwise, between the parties not embodied in this Lease shall be of any force or effect.

Section 24.08. Modifications. This Lease shall not be modified or amended in any respect except by a written agreement executed by Lessor and Lessee in the same manner as this Lease is executed.

Section 24.09. Holding Over. If Lessee remains in possession of the Premises after the Expiration Date or the termination of this Lease, as the case may be, with Lessor's acquiescence but without any modification of this Lease, Lessee shall be a tenant at will at the annual rental in effect on the Expiration Date and subject to all the other terms and provisions hereof (except as to the Term).

Section 24.10. Counterparts. This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

Section 24.11. Memorandum of Lease. Lessor and Lessee, at Lessee's request, will execute a memorandum of this Lease in recordable form, which Lessee may, at its expense, file for record. However, neither Lessor nor Lessee shall record this Lease without the written consent of the other party.

Section 24.12. Dispute Resolution. All disputes arising under this Lease will be resolved by the parties through the dispute resolution procedures described on Exhibit E attached hereto and incorporated herein by this reference.

Section 24.13. Lessor Approval. Where Lessor approval is required in this Agreement, such approval may be withheld for any or no reason whatsoever except as otherwise specifically provided in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Lease to be duly executed by their duly authorized officers and have delivered this Lease effective as of the day and year first above written.

CARGILL, INCORPORATED
(Lessor)

By: 

Name: DON VOST

Title: V.P.

CLD PACIFIC GRAIN, LLC
(Lessee)

By: 

Name: Annie Schaeffer

Title: General Manager

EXHIBIT "A"

List of Prime Leases and Legal Descriptions of the Land

LEASED FACILITIES

Portland, OR (T-4)

Lease and Agreement between The Port of Portland and Cargill, Incorporated dated July 1, 1975, as supplemented and amended.

No legal description.

Boardman, OR

SK Farms, Inc. Submerged Lands and Dock Structures Lease Agreement dated April 1, 1983 between Port of Morrow and SK Farms, Inc. Assigned to Cargill by Big River Farms, Inc., successor to SK Farms, Inc., on June 9, 1992.

Legal Description:

Burbank, WA

Lease by and between Port of Walla Walla and River Grain Terminal, Inc. dated May 1, 1958, as assigned to Cargill, Incorporated, and as supplemented and extended.
Lease by and between Port of Walla Walla and River Grain Terminal, Inc. dated September 28, 1959, as assigned to Cargill, Incorporated and as supplemented and extended.

Legal Description:

A tract of land in Walla Walla County, State of Washington, in Section 2, Township 8N, Range 30E, Willamette Meridian, described as follows:

Beginning at the Northeast corner of Section 2, Township 8N, Range 30 E, Willamette Meridian; thence S. 89°41'23" W. a distance of 1,255.22 feet to an intersection with the Westerly right of way line of Old State Highway No. 3; thence S. 00°46'51" W. a distance of 300 feet to the True Point of Beginning; thence S. 00°46'51" W. a distance of 1,134.68 feet along the Westerly right of way line of said Highway to an intersection with the Northerly line of the easement to the Salt Lake Pipeline Company; thence N. 44°23'05" W. along said easement line a distance of 460'± to an intersection with a line running parallel with and 8 feet distance from the outside rail of the Westerly Railroad spur serving grain storage facilities, said parallel line being on the Easterly side of said Railroad spur; thence in a Northerly direction along said parallel line to an intersection with a line that is 80 feet distance and parallel to the Northeasterly wall of the Northeasterly Storage Warehouse; thence in a Northwesterly direction along said parallel line a distance of 520'± to an intersection with the North boundary line of the Port of Walla Walla; thence East along said boundary line to the point of beginning.

Lease by and between Port of Walla Walla and Cargill, Incorporated dated July 25, 1978, as extended.

Legal Description:

Beginning at the NE Corner of Section 2, Township 8N, Range 30 E, Willamette Meridian, and running S 0°30' E. along the East line of said Section 2, a distance of 814.25 feet; thence S 88°35' W., parallel to the North line of Section 2, a distance of 1772.0 feet; thence N 1°25' E., a distance of 42.0 feet to the True Point of Beginning which is the South corner of the building commonly known as Flathouse #2. Thence N 52°35' W., 500 feet along the building line to the Northwest Corner of said building; thence N 37°25' E., a distance of 140 feet to the North Corner of said building; thence S 52°35' E., 500 feet to the Southeast Corner of said building; thence S 37°25' W., 140 feet to the True Point of Beginning.

Lease by and between Port of Walla Walla and Cargill dated January 1, 1993. Need written consent of Port.

Legal Description:

That certain one-story, metal-framed, office complex building consisting of approximately 2,200 square feet, located in the Port of Walla Walla's Burbank Industrial site and situated on the following described real property situated in the County of Walla Walla, State of Washington:

Beginning at the Northeast corner of Section 2, Township 8N, Range 30 E, Willamette Meridian; thence S. 89°41'23" W. a distance of 1,255.22 feet to an intersection with the Westerly right of way line of Old State Highway No. 3; thence S. 00°46'51" W. a distance of 300 feet to the True Point of Beginning; thence S. 00°46'51" W. a distance of 1,134.68 feet along the Westerly right of way line of said Highway to an intersection with the Northerly line of the easement to the Salt Lake Pipeline Company; thence N. 44°23'05" W. along said easement line a distance of 460'± to an intersection with a line running parallel with and 8 feet distance from the outside rail of the Westerly Railroad spur serving grain storage facilities, said parallel line being on the Easterly side of said Railroad spur; thence in a Northerly direction along said parallel line to an intersection with a line that is 80 feet distance and parallel to the Northeasterly wall of the Northeasterly Storage Warehouse; thence in a Northwesterly direction along said parallel line a distance of 520'± to an intersection with the North boundary line of the Port of Walla Walla; thence East along said boundary line to the point of beginning.

Lease by and between Port of Walla Walla and Cargill dated June 4, 1999.

No legal description. See sketch attached to lease.

Pasco

Lease Agreement between Port of Pasco and Cargill, Incorporated dated July 22, 1999.

Legal Description:

Office building (1,605 square feet) located at 720 W. River Street. That portion of Lots 16 to 30 inclusive of River Block, the Riverside Addition to Pasco, Washington, lying northerly of the U.S. Government taking line for McNary Dam Pool, and the south thirty-three (33) feet of vacated River Avenue lying adjacent to said Lots 16 to 30 inclusive, all in the Riverside Addition to the City of Pasco, as recorded in Volume B, page 44, records of county auditor, Franklin County, Washington, EXCEPT that an easement is reserved for an underground pipe line serving the River Terminals Tank Farm, said easement being fifteen (15) feet in width. Also reserved is a five (5) foot easement for an underground water main located at the westerly boundary of the described property on the map attached to the lease. Also a non-exclusive easement 17'x11' adjoining the north boundary of property, as indicated on the map attached to the lease, is granted to the Grain Company for railcar siding.

The Dalles

Lease Agreement by and between The Port of The Dalles, successor to Pacific Inland Navigation Company, Inc. and Cargill, Incorporated dated April 1, 1960.

Legal Description:

Beginning at a point, a brass screw set in rock, 2202.7 feet north and 1548.6 feet east from the quarter corner of the south line of Section 33, Township 2 North, Range 13 East Willamette Meridian, in Wasco County, Oregon; thence downstream along the south bank of the Columbia River a distance of 150 feet; thence S 55°05'W a distance 220 feet; thence S 34°55"E a distance of 550 feet; thence N 55°05"E to the south bank of the Columbia River; thence downstream along the south bank of the Columbia River 400 feet more or less to the point of beginning. Said tract contains 2.56 acres more or less.

Arlington

Agreement by and between the Port of Arlington and Cargill, Incorporated dated September 1, 1967.

Legal Description:

A tract of land located on property of the Port of Arlington delineated on the drawing marked Exhibit B (1/27/67) attached to the Memorandum of Agreement between

the foregoing agreement; said tract being approximately 420 feet in length, running from the northeasterly corner of the top of the fill, westerly along the river side of the fill to a point, thence at right angles and in a southerly direction approximately 150, thence at right angles and in an easterly direction parallel to the first line above described, a distance of approximately 420 feet, thence at right angles and in a northerly direction a distance of approximately 150 feet to the point of beginning.

OWNED FACILITIES

Lewiston, ID

PARCEL 1: Beginning at the intersection of 4th Avenue North and 15th Street North, in Section 31, Township 36 North, Range 5 West of the Boise Meridian, in the City of Lewiston, Idaho; thence South 88 degrees 15' 18" East a distance of 280 feet; thence South 1 degree C9' 36" West a distance of 10 feet to the Northwest corner of the Lewiston Roundup Association property; thence South degrees 46' 58" West a distance of 79.95 feet; thence North 61 degrees 22' 00" West a distance of 413.16 feet to the True point of Beginning, said point being the Northwest corner of Lewis-Clark Terminal Association, Inc., property; thence from said True Point of Beginning South 28 degrees 38' 05" West distance of 428.91 feet to a point which is North 28 degrees 27' 15" East a distance of 50 feet from the Government Take Line; thence North 61 degrees 32' 45" West a distance of 431.31 feet to a point which is North 26 degrees 27' 15" East a distance of 50 feet from the Government Take Line; thence following a 368.06 foot radius curve to the right, said curve having a delta angle of 57 degrees 46' 57" a distance of 371.19 feet to a point; thence North 3 degrees 45' 48" West a distance of 307.23 feet to a point; thence South 61 degrees 22' 00" East, a distance of 907.85 feet to the True Point of Beginning.

LESS AND EXCEPT THE FOLLOWING FROM PARCEL 1:

A parcel of land in Section 31, T. 36 N., K 5 W., B.M., in the City of Lewiston, County of Nez Perce, State of Idaho, and being more particularly described as follows:

Commencing a City Monument 23-12 at the intersection of 6th Avenue North and 15th Street; thence S 01 ° 11'08" W. for 499.67 feet to City Monument 23-6 at the intersection of 3rd Avenue North and 15th Street; thence S 39°03'53" W for 142.36 feet to the northeast corner of Trustee's Deed recorded as Instrument No. 464905 of County Records; thence N 61°22'00" W along the north line of said deed for 780.98 feet to the True Point of Beginning; thence S 35°43'55" W for 168.39 feet; thence N 03 °45'48" W for 197.90 feet; thence S 61 °22'00" E for 126.84 feet to the Point of Beginning; containing 0.24 acres more or less.

PARCEL 2: A non-exclusive easement for ingress and egress granted to Fribourg Investment Company L.P., a Delaware Limited Partnership in Easement Deed recorded May 17, 1984 as Instrument No. 476867, over and across the following described land:

Commencing at the Brass Cap Monument marking the intersection of 15th Street North and 3rd Avenue North; thence North 61 degrees 21'22" West 55.73 feet; thence South 28 degrees 38'05" West 40.00 feet to the South line of 3rd Avenue North and the Point of Beginning; thence continue South 28 degrees 38'05" West 100.00 feet to the North line of the Continental Grain Company property and the Point of Terminus.

PARCEL 3: A non-exclusive easement for ingress and egress granted to Fribourg Investment Company, L.P., a Delaware Limited Partnership in Easement Deed recorded May 17, 1984 as Instrument No. 476867, over and across the following described land:

Commencing at the brass cap monument marking the intersection of the centerlines of 16th Street North, 6th Avenue North and 3rd Avenue North; thence South 61 degrees 21'22" East 325.22 feet along the centerline of 3rd Avenue North; thence south 29 degrees 38'38" West 40.01 feet to the South line of 3rd Avenue North and the Point of Beginning; thence continue South 29 degrees 38'38" West 100.01 feet to the North line of the Continental Grain company property and the Point of Terminus.

PARCEL 4: An easement for overhead conveyor facility and legs or support structures therefor and granted to Fribourg Investment Company, L.P., a Delaware Limited Liability Partnership in Easement Deed recorded May 17, 1984 as Instrument No. 476868, over and across the following described land:

Commencing at the U.S. Cops of Engineers G.T.L. monument number 520-54-1-5A; thence North 61 degrees 32'45" 229.0 feet along U.S. G.T.L. line to the Point of Beginning; thence North 28 degrees 27'15" East 50 feet to the Point of Terminus

Boardman, OR

A tract of land in Sections 2 and 3, Township 4 North, Range 25 West, Willamette Meridian, Morrow County, Oregon, being more particularly described as follows:

Commencing at the one-quarter corner common to Sections 2 and 11, Township 4 North, Range 25 East, Willamette Meridian, as shown on Morrow County Record Survey no. 290-k, dated January 28, 1980; thence South 88°22'10" West a distance of 2,663.94 feet to the southwest corner of said section 21; thence north 1°52'20" west a distance of 1,267.36 feet to the point of beginning, thence North 88°22'10" East a distance of 684.91 feet to a point, thence North 01°52'20" West a distance of 670.96 feet to a point; thence South 88°22'10" West a distance of 728.22 feet to the high water line, as meandered on aforesaid survey; thence southerly along said high water line the following 6 (six) courses and distances:

- (1) South 39°41'00" West a distance of 3.22 feet to a point,
- (2) South 21°59'30" West a distance of 103.49 feet to a point,
- (3) South 07°29'30" West a distance of 105.08 feet to a point,
- (4) South 00°37'00" West a distance of 104.43 feet to a point,
- (5) South 05°10'30" East a distance of 226.52 feet to a point,
- (6) South 06°46,'00" East a distance of 104.49 feet to a point,

Thence North 88°22'10" East a distance of 83.94 feet to the point of beginning,

BOARDMAN, OREGON

PARCEL I: A parcel of land lying in the Southwest quarter of Section 27, Township 1 North, Range 1 East, City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point on the Southwesterly line of North River Street, said point being South 50°58'41" East a distance of 235.49 feet from the East corner of River Lot 19, Albina, as conveyed to Dillingham Corporation, by Deed recorded February 13, 1969 in Book 663 Page 196, Deed Records; thence along said Southwesterly line South 50°58'41" East a distance of 179.04 feet to a point; thence leaving said Southwesterly line of North River Street North 88°46'41" West a distance of 13.54 feet to a point; thence South 59°22'30" West 361.2 feet more or less to a point on the Harbor line; thence along said Harbor line North 34°31'31" West 8.0 feet more or less; thence North 50°14'11" West 268.8 feet more or less to a point on the Southwesterly extension of the Southeasterly line of River Lot 19, Albina; thence leaving said Harbor line North 39°01'19" East along said Southwesterly extension and Southeasterly line a distance of 145.9 feet more or less to a point; thence leaving said Southwesterly extension of the Southeasterly line of River Lot 19, Albina, South 52°19'00" East a distance of 93.00 feet to a point; thence North 58°02'25" East a distance of 22.60 feet to a point; thence South 30°52'05" East a distance of 57.93 feet to a point; thence North 58°44'50" East a distance of 194.39 feet to a point; thence South 50°58'41" East a distance of 15.14 feet to a point; thence North 39°01'19" East a distance of 8.25 feet to the point of beginning.

EXCEPTING THEREFROM ownership of the State of Oregon in and to that portion of the premises herein described lying below the line of ordinary high water of the Willamette River.

PARCEL II: A tract of land in the William Irving Donation Land Claim and Joshua Delay Donation Land Claim: Also of the Southwest one quarter of Section 27 and the Northwest one quarter of Section 34, Township 1 North, Range 1 East of the Willamette Meridian in the City of Portland, County of Multnomah and State of Oregon; described as follows:

Beginning at a point in the North line of the said William Irving Donation Land Claim, that is North 89°42'45" East 270.89 feet from the Northwest corner of said Claim, which point is the Northwest corner of Third Street extended in the Old City of East Portland, said point is North 89°42'45" East 16.20 feet from the intersection of said Donation Land Claim line with the Southwesterly line of North River Street, also is the intersection of said Donation Land Claim line with the Northerly prolongation of the curve of the Western right of way line of the Oregon-Washington Railway and Navigation Co., as described and recorded March 24, 1882 in Deed Book 54 at Page 77 said Multnomah County; thence Southeasterly along the Westerly line of Third Street and the Westerly right of way line of said O.W.R. & N. CO., 1163.75 feet to a point in the Northerly line of the Northern Pacific Terminal tract recorded December 9, 1882 in Deed Book 62 at Page 139, which point is the intersection with the South line of North Dixon street extended Westerly; thence along the Westerly extension of the South line of North Dixon Street and the Northerly line of the said Northern Pacific Terminal tract, South 51°33'30" West 212.42 feet to the intersection with the harbor line of the Eastern bank of the Willamette River; thence North 36°01'45" west 1196.00 feet along said Harbor line to the intersection with

1642, at Page 318, said Multnomah County; thence North 57°54'45" East 361.24 feet along said line to a point in the North line of said William Irving Donation Land Claim line; thence North 89°42'45" East along said Donation Land Claim line to the point of beginning.

EXCEPTING THEREFROM ownership of the State of Oregon in and to that portion of the premises herein described lying below the line of ordinary high water of the Willamette River.

EXHIBIT "B"

Personal Property

SEE ATTACHED.

Property Listing

Location:	Burbank, Washington	Acquisition
	Description	Date
Land Improvements:		
	Access Roads	6-1983
Buildings:		
	Office & Grain Lab	5-1979
Plant Equipment:		
	Grain Elevator & Plant Equip & all associated equipment & tools	2-1962
Office Equipment:		
	Steel Case Lateral File	12-1981
	Steel Case Vertical File Cabinet	6-1984
	2 Drawer File Hon 312	6-1987
	4 Drawer Locking File-Hon 214P	6-1987
	Nor Star Telephone System	6-1989
	Upgrade Telephone System	8-1998
	Compact Shredder	6-1990
	TV - serial # 655034014 F25-143	1-1991
	BPI Workstation & Peninsula T	4-1995
	BPI Workstation & Mobile File	4-1995
	Credenza - Jofco	2-1968
	Credenza	10-1979
	U Station Desk with Hutch	4-2000
	Miller Free Standing Table	1-1981
	Walnut Desk	1-1982
	File 5-drawer lateral	6-1982
	1 Hon 2 Drawer Lateral File	4-1987
	IBM PC AT 512M Computer Serial # 7237517 Model 2	6-1987
	Bookcase ST Stow Davis	1-1990
	Bookcase ST Stow Davis	1-1990
	Double Ped 36 x 72 Desk - Mahogany	10-1996
	Toshiba 2595 Lap Top - Serial # 69786885A	7-1999

Location:	Pasco, Washington	Acquisition
	Description	Date
Buildings:		
	Office / Shop	7-1999
Plant Equipment:		
	Grain Elevator & Plant Equip & all associated equipment & tools	7-1999

Office Equipment:

3 Office Desks	7-1999
7 Chairs	7-1999
Dell Monitor 8535672	7-1999
Dell Monitor U4105A02588	7-1999
IBM 4230 Printer	7-1999
2 Dell computers xm 575's	7-1999
Dell Power Edge 2200	7-1999
Okidata 320 9 pin printer	7-1999
Okidata Printer 411B0109592 11992-B	5-1995
9 Telephones	7-1999
HP Laser Jeft 4000T Printer	7-1999

still need to

still need to

Location:	Boardman, Oregon	Acquisition
	Description	Date
Land:		
	11 Acres Land	6-1992
Land Improvements:		
	Access Road	6-1992
Buildings:		
	Office & Grain Lab	9-1998
	Truck Office Building	6-1992
	24' X 32' Maintenance Shop	6-1998
Plant Equipment:		
	Grain Elevator & Plant Equip & all associated equipment & tools	6-1992
Office Equipment:		
	Cannon NP1020 Copy Machine Serial # NTH25973 NP1020	9-1993
	Cabling Materials	11-1998
	Nor Star Plus Phone system	9-1998
	Desk Workstation	9-1998
	Laser Jet Printer 384209 SUSBB945570 10539-B	11-1994
	Okidata Printer 384210 S404A0084638 10540-B	11-1994
	Okidata Printer 384211 S404A0085003 10541-B	11-1994
	Laser Jet 4+ Printer USFC312234 12932-B	8-1995
	Scale pc workstation & monitor	11-1994
	clerk pc workstation & monitor	11-1994
	office pc workstation & monitor	11-1994
Autos & Trucks:		
	Skid Steer Loader 1991	12-1994

Location:	Arlington, Oregon	Acquisition
	Description	Date
Land Improvements:		

Roads, Paved Parking Lot & Asphalt Pad	6-1992
Buildings:	
Office & Scale House	2-1979
Plant Equipment:	
Grain Elevator & Plant Equip & all associated equipment & tools	5-1978
Office Equipment:	
Cannon NP1020 Personal Copier Serial #NTH92302 NP1020	8-1995
Norstar Phone System	4-1996
Desktop Workstation 384097 3432A12619 10496-B	11-1994
Okidata Printer 384105 S404A0084746 10499-B	11-1994
Laser Jet 4+ Printer USFC312233 12923-B	8-1995
Desktop Workstation 3502A04716 12705-B	7-1995
Scale pc workstation & Monitor	7-1995
Autos & Trucks:	
Melroe Bobcat Loader 114014	11-1986

Location:	The Dalles, Oregon	Acquisition
	Description	Date
Land Improvements:		
Access Road		7-1997
Buildings:		
Office Building		1-1965
Scale House		6-1988
Plant Equipment:		
Grain Elevator & Plant Equip & all associated equipment & tools		4-1965
Office Equipment:		
Cannon NP1020 Copier NTH26237 NP1020		7-1993
Telephone System		2-1996
Scale pc workstation & Monitor		7-1995
clerk pc workstation & monitor		7-1995
Tempstar Heat Pump		3-1996
Office Workstation		5-1997

Location:	Lewiston, Idaho	Acquisition
	Description	Date
Land:		
7.47 acres		7-1999
Land Improvements:		
900 FT Railroad Track		7-1999
Ground Pile Paving		7-1999

Buildings:

Office Building	7-1999
Shop	7-1999

Plant Equipment:

Grain Elevator & Plant Equip & all associated equipment & tools	7-1999
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Office Equipment:

Phone System	7-1999
16 Desks	7-1999
45 Chairs	7-1999
22 Files	7-1999
11 Storage Lockers	7-1999
10 Tables	7-1999
Refridgerator	7-1999
Microwave	7-1999
Tv VCR	7-1999
Mode Workstation Desk	9-1995
Mode Workstation Desk	9-1995
Mode Workstation Desk	9-1995
Mode Workstation Desk	9-1995

Autos & Trucks:

3 Fork Lifts	7-1999
Bobcat with attachments	7-1999
Kenworth Semi Tractor	7-1999
Grain Trailer	7-1999
Container Chasis	7-1999
Melroe Bobcat Loader	3-1979
Fiat-Allis Wheel Loader	9-1980

Spring

ASSET NUMBER	DESCRIPTION	ACQ DATE
CLASS 1000	LAND	
000000430134	LAND	7-1995
CLASS 1500	LAND IMPROVEMENTS	
000000430135	ASPHALT-PARKING LOT/DRIVEWAY	7-1995
000000430136	CONCRETE PARKING LOT/DRIVEWAY	7-1995
000000430137	CHAIN LINK FENCE	7-1995
000000430138	UNDERGROUND UTILITY PIPING	7-1995
000000430139	VAPOR TYPE LIGHTING	7-1995
000000430140	CATCH BASINS (6)	7-1995
000000430141	FIRE HYDRANTS	7-1995
000000430142	CONCRETE SIDEWALK	7-1995
000000430143	RETAINING WALLS	7-1995
000000430144	LANDSCAPING	7-1995
000000430146	RAILROAD SIDING	7-1995
000000430151	DOCK	7-1995
000000430152	STEEL DOLPHINS (5)	7-1995
000000447818	STEEL SHIP BREASTING DOLPHIN	7-1996
000000464369	PILINGS/BANK STABILIZATION	4-1998
000000503275	ASPHALT WALKWAY-RIVERBANK	8-1998
000000507876	TAX ONLY CAP. INT.-LAND IMP.	5-1999
000000509307	BACK FLOW PREVENTER	4-1999
000000524622	PILINGS/BANK STABILIZATION PH2	3-2000
000000524623	RIVERBANK PH2 LANDSCAPING	3-2000
CLASS 2000	BUILDINGS	
000000430145	MAIN ENTRANCE GUARDHOUSE	7-1995
000000430147	SOUTH GRAIN ELEVATOR	7-1995
000000430148	HEADHOUSE	7-1995
000000430149	NORTH GRAIN ELEVATOR	7-1995
000000430150	MARINE SHIPPING FACILITY	7-1995
000000430154	BARGE UNLOADING FACILITY	7-1995
000000430155	OPERATION CENTER & TRUCK DUMP	7-1995
000000430156	TRACK SHED	7-1995
000000430157	SHIP CONTROL BUILDING	7-1995
000000430158	MAINTENANCE SHOP	7-1995
000000430159	WAREHOUSE	7-1995
000000430160	AIR COMPRESSOR/GENERATOR BLDG	7-1995
000000439479	ROO FOM STAIRS & OFFICE	8-1996
000000448917	OFFICE REMODEL IRVING OFFICE	6-1996
000000478394	NEW HOUSE CONCRETE BIN UPG	2-1998
000000503270	STAIRWAY MODIFICATION	9-1998

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000503271	SUPERCARGO LEVELING	9-1998
000000509305	CONDUIT & WIRING ELEVATOR	4-1999
000000524624	MAINTENANCE SHOP IMPROVEMENTS	3-2000
LASS 3000	PLANT EQUIPMENT	
000000420374	PLC CONTROLLER	8-1995
000000430161	BELT CONVEYOR 120' C-4	7-1995
000000430162	BELT CONVEYOR 234' C-3	7-1995
000000430163	16"X18" STEEL SPOUTS 15' (19)	7-1995
000000430164	30"X20" STEEL SPOUT 5' (5)	7-1995
000000430165	DUST COLLECTOR DUCT 16" DIA 15	7-1995
000000430166	DUST COLL DUCT 30" DIA 100'	7-1995
000000430167	DUCT DUST LOT	7-1995
000000430168	DRAG CONVEYOR 130' 40000 BU DC-	7-1995
000000430169	STEEL SPOUTS 48"X30"X48" DC-1	7-1995
000000430170	STEEL SPTS 18"X48"X48" DC-1	7-1995
000000430171	STEEL SPTING 1"X18" 50FT DC-1	7-1995
000000430172	SLIME GATES (2) 18"X18" DC-1	7-1995
000000430173	DRAG CONVEYOR 62' DC-5	7-1995
000000430174	DRAG CONVEYOR 56' DC-6	7-1995
000000430175	SLIDE GATE 36"X36" DC-6	7-1995
000000430176	SLIDE GATES (2) 30"X30" DC-6	7-1995
000000430177	SPOUTING 20"X26" 50' DC-6	7-1995
000000430178	GROUP PLATFORM/CATWALK DC-6	7-1995
000000430179	12' DISTRIBUTOR DC-6 (2)	7-1995
000000430180	IRON DUCT 24" 225' DC-6	7-1995
000000430181	IRON DUCT 12" 30' DC-6	7-1995
000000430182	SMALL DIA. DUCT LOT DC-6	7-1995
000000430183	2-TON JIB CRANE DC-6	7-1995
000000430185	STEEL CHRT DC-6	7-1995
000000430186	BUCKET ELEV 216' HIGH L-1	7-1995
000000430187	BUCKET ELEVATOR 194' HIGH L-2	7-1995
000000430188	BUCKET ELEVATOR 256' HIGH L-3	7-1995
000000430189	BUCKET ELEVATOR 260' HIGH L-4	7-1995
000000430190	SPOUTING 48"X18" 26FT L-4	7-1995
000000430191	SLIDE GATES 48"X18" (3) L-4	7-1995
000000430192	MISC SPOUTING L-4	7-1995
000000430193	MISC DUCT L-4	7-1995
000000430194	GROUP FIRE EXTINGUISHERS L-4	7-1995
000000430195	MALATHION STORAGE TANK L-4	7-1995
000000430196	PIPING FOR MALATHION TANK L-4	7-1995
000000430197	ELECTRIC AUGER L-4	7-1995
000000430198	H.O. WINCH	7-1995
000000430199	LOT OF SPOUTS/GATES L-4 UPPER	7-1995

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ASSET NUMBER	DESCRIPTION	ACQ DATE
000000430200	DUCT DUST COLLECTOR L-4	7-1995
000000430201	STEEL SPOUT 24"X24" 535' L-6	7-1995
000000430202	20 HP AIR COMPRESSOR L-4	7-1995
000000430203	CEA CARTERDAY DUST COLLECTOR	7-1995
000000430204	ELECTRICAL CONDUIT L-4 UPPER	7-1995
000000430205	SAMPLING EQUIPMENT L-4 UPPER	7-1995
000000430206	BARGE SCALE SYS L-4 UPPER	7-1995
000000430207	SHIPPING SCALE SYS L-4 UPPER	7-1995
000000430208	BELT CONVEYOR 240' C-8 TUNNEL	7-1995
000000430209	STEEL SPOUTS 24"X24" 7' (23) C-8	7-1995
000000430210	IRON DUCT 8" 300FT C-8	7-1995
000000430211	CONVEYOR MAGNET/TROLLEY RAIL	7-1995
000000430212	FLIGHT CONVEYORS 251' C-8 (2)	7-1995
000000430213	DOUBLE SPOUTS (16) 3-8 BINTOP	7-1995
000000430214	SINGLE SPOUTS (14) C-8 BINTOP	7-1995
000000430215	LADDER C-8 BIN TOP	7-1995
000000430216	MOIST C-8 BIN TOP	7-1995
000000430217	SPOUTING 18"X18" 205' C-8	7-1995
000000430218	SPOUTING 30"X18" 10' C-8	7-1995
000000430219	TRUCK DUMP HOPPER 22"X12"X12"	7-1995
000000430220	DRAG CONVEYOR 43' 6" C-8 TUNNEL	7-1995
000000430221	ELEC CONTROLS SUBSTATION/CNTL	7-1995
000000430222	TRUCK DUMPER HYDROFLUX	7-1995
000000430224	PROBES SUBSTATION/CONTROL RM	7-1995
000000430225	CLOSED CIRCUIT SECURITY SYS	7-1995
000000430226	MAIN ELEVATOR CONTROL CONSOLE	7-1995
000000430227	STEEL BOLTED HOPPER TUNNEL/TRA	7-1995
000000430228	DUCT DUST COLLECT TRACKSHED	7-1995
000000430229	BELT CONVEYOR 280' C-6	7-1995
000000430230	10"X70" TRUCK SCALE 300 TON	7-1995
000000430231	US INSTRU SOUND POWERED TELEPH	7-1995
000000430233	JIB CRANE 1000PD	7-1995
000000430234	HYDRAULIC GATE OPENER MOTION C	7-1995
000000430235	7.5 HP AIR COMPRESSOR	7-1995
000000430236	ELECTRICAL CONTROLS/COMPRESSOR	7-1995
000000430237	AIR PIPE C-6 1ST STORY	7-1995
000000430239	FIRE EXTINGUISHERS C-6 1ST STO	7-1995
000000430240	GROUP SPOUTS-DOCK LEVEL	7-1995
000000430241	ELECTRICAL WINCHES DOCK LEVEL	7-1995
000000430242	CEA DUST COLLECTOR DOCK LEVEL	7-1995
000000430243	SHIPPING CONVEYOR ENCLOSURES	7-1995
000000430244	BELT CONVEYOR 329' C-2	7-1995
000000430245	STEEL SPOUTING C-2	7-1995
000000430246	AIR/WATER PIPING C-2	7-1995
000000430247	DUCT DUST COLLECTOR C-2	7-1995
000000430248	FIRE EXTINGUISHERS C-2	7-1995

ASSET NUMBER	DESCRIPTION	DATE
000000430250	ELECTRICAL CONDUIT C-2	7-1995
000000430251	BELT CONVEYOR 324" C-1	7-1995
000000430252	BELT TRIPPERS C-1 (5)	7-1995
000000430253	DISCHARGE CHUTES	7-1995
000000430254	SHIPPING CHUTES 48" (5)	7-1995
000000430255	WYSONG 12" BRAKE 60TON CAPACIT	7-1995
000000430256	SUMMIT 10" METAL SHEER	7-1995
000000430257	MILLER WIRE FEED WELDER	7-1995
000000430258	MILLER ARC WELDER	7-1995
000000430259	MILLER ARC WELDER "RAMROD"	7-1995
000000430260	HOBART ARC WELDER MDL 9H-300	7-1995
000000430261	JET PORTABLE BAND SAW	7-1995
000000430262	PRESSURE WASHER	7-1995
000000430263	GAS WELDING OUTFITS (2)	7-1995
000000430264	STEEL WELDING TABLE	7-1995
000000430265	DOUBLE-END GRINDER	7-1995
000000430266	BARGE UNLDR TOWER 28" X25' X66	7-1995
000000430269	STEEL FRAME BOOM 77'	7-1995
000000430270	CONTROLS (SWITCHES/PANELS) #9	7-1995
000000430271	BUCKET ELEVATOR 60' MARINE LEG	7-1995
000000430272	AIR COMPRESSOR MARINE LEG	7-1995
000000430273	PIPING MARINE LEG	7-1995
000000430274	SPOUTS MARINE LEG	7-1995
000000430275	CARTER DAY DUST COLLECTOR (MAR	7-1995
000000430276	BELT CONVEYOR 450" C-7	7-1995
000000430278	CARTS (WAREHOUSE)	7-1995
000000430280	HAND TRUCKS (WAREHOUSE)	7-1995
000000430281	ONAN DIESEL GENERATOR "GENSET"	7-1995
000000430282	ROGERS COMPRESSOR MDL QHWC-30-	7-1995
000000430283	ZURN COMPRESSED AIR DRYER	7-1995
000000430284	HITSUBISHI LIFT TRUCK MDL F650	7-1995
000000430285	ACE-2COMP STORAGE TANK	7-1995
000000430286	CARTER DAY DUST COL (YARD)	7-1995
000000430287	CARTER DAY DUST COLL/RAIL DUMP	7-1995
000000430288	STEEL DUST STORAGE BIN	7-1995
000000430289	TRUCK SCALE 70TON 10'X100'	7-1995
000000430290	PORTABEL STEEL PLATFORMS(YARD)	7-1995
000000430293	SELF DUMPING HOPPERS (YARD)	7-1995
000000430144	PACO PUMP MODEL N2102 SUBERSIS	6-1996
000000430152	5 HP 15" BRAKE MOTOR (DOCK WIN	6-1996
000000430153	5HP 15" BRAKE MOTOR(DOCK WINCH	6-1996
000000430154	5HP 25" BRAKE MOTOR(DOCK WINCH	6-1996
000000430155	5HP CRANE CABLE HOIST 11.7 RPM	6-1996

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ASSET NUMBER	DESCRIPTION	ACQ DATE
000000430156	5HP CRANE CABLE HOIST 11.7 RPM	6-1996
000000430157	5HP CRANE CABLE HOIST 17.5 RPM	6-1996
000000447819	VIOLA PASSENGER ELEVATOR	6-1996
000000448887	CROWCON PORTABLE GAS MONITOR	12-1996
000000448916	PERT HAZARD MONITORING SYSTEM	6-1996
000000449544	BIN LEVEL SENSORS	12-1996
000000449616	HA1200T GATE OPENER	6-1996
000000449380	OIL AND DUST SUPPRESSION SYSTE	11-1997
000000449351	8' EXTENSIONS-VESSEL LOAD SPOU	6-1998
000000509284	PRIMARY HIGH VOLT SWITCH GEAR	4-1999
000000509285	LEG 5 TOWER/CLEANING STRUCTRS	4-1999
000000509286	LOADOUT SPOUT 27	4-1999
000000509287	BUCKET ELEVATOR 26	4-1999
000000509288	DRAG CONVEYOR 25	4-1999
000000509289	DRAG CONVEYOR 24	4-1999
000000509290	DRAG CONVEYOR 23	4-1999
000000509291	BUCKET ELEVATOR 22	4-1999
000000509292	DRAG CONVEYOR 21	4-1999
000000509293	DRAG CONVEYOR 33	4-1999
000000509294	DRAG CONVEYOR 34	4-1999
000000509295	SAMPLER 1	4-1999
000000509296	SAMPLER 5	4-1999
000000509297	DAMPLER 22	4-1999
000000509298	MCI AUTO KICKER	4-1999
000000509299	PROTEIN MACHINE ANALYZER	4-1999
000000509300	CLEANER SPOUTING	4-1999
000000509301	CLEANER GATES	4-1999
000000509302	1000 KVA TRANSFORMER	4-1999
000000509303	PLC MICRON MILENA PENT II 300	4-1999
000000509304	PLC MICRON MILENA PENT II 300	4-1999
000000509306	CLEANER MA2. MONITORING	4-1999
000000509308	MCC AIR FILTER	4-1999
000000509309	CLEANER DUST FAN	4-1999
000000509310	CLEANER TRANSFER BLOWER	4-1999
000000509311	CLEANER-OUTSIDE ENGINEERING	4-1999
000000509312	RAIL MCC	4-1999
000000509313	CLEANER MCC	4-1999
000000509314	PASSENGER ELEVATOR	4-1999
000000509315	BUCKET ELEVATOR 15	4-1999
000000509316	MEGA CLEANER 1	4-1999

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ASSET NUMBER	DESCRIPTION	DATE
000000509317	MEGA CLEANER-2	4-1999
000000509318	MEGA CLEANER 3	4-1999
000000509319	MEGA CLEANER 4	4-1999
000000509320	SURGE BIN 8	4-1999
000000509321	SURGE BIN 9	4-1999
000000509322	INDENT CYCINDERS 5	4-1999
000000509323	INDENT CYCINDERS 6	4-1999
000000509324	INDENT CYCINDER 7	4-1999
000000509325	SURGE BIN 12	4-1999
000000509326	SURGE BIN 34	4-1999
000000509327	SURGE BIN 7	4-1999
000000509328	SCREENING BIN 1	4-1999
000000509329	SCREENING BIN 2	4-1999
000000509330	DRAG CONVEYOR 28	4-1999
000000509331	LOADOUT SPOUT 28	4-1999
000000509332	DRAG CONVEYOR 27	4-1999

00000523161 DUST LOADING DRAG H-29 7-2000

00000524625 CEA DUST COLLECTOR IMPROVEMENT 3-2000

CLASS 4000 OFFICE EQUIPMENT

000000417589	486 DX COMPUTER	9-1995
	295287	
000000417590	PENTIUM 75 SERVER	9-1995
	295284	
000000430222	DESKS/SUBSTATION CONTROL RM	7-1995
000000430238	DESK C-6 1ST STORY	7-1995
000000430292	DOUBLE PEDESTAL DISK OP CENTER	7-1995
000000430293	WOOD COUNTER (OP CENTER)	7-1995
000000430294	2DRAWER FILES (2) OP CENTER	7-1995
000000430297	STEEL LOCKERS OP CENTER (5)	7-1995
000000430298	STEEL STORAGE CABINET (OP CENT	7-1995

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ASSET NUMBER	DESCRIPTION	ACQ DATE
000000430299	STEEL SHELF UNIT (OP CENTER)	7-1995
000000430300	4 DRAWER FILE (OP CENTER)	7-1995
000000430302	FOLDING TABLES (2) OP CENTER	7-1995
000000430303	STEEL LOCKERS (10)	7-1995
000000430307	DOUBLE PEDESTAL DESKS (2)	7-1995
000000430308	WOOD BOOKCASE 3 SHELVES	7-1995
000000430311	4-DRAWER FILES (4)	7-1995
000000430313	DOUBLE PEDESTAL STEEL DESKS	7-1995
000000430315	3-DRAWER FILES (5)	7-1995
000000430316	STEEL SHELF W/5 SHELVES	7-1995
000000430317	WOOD COMPUTER DESK	7-1995
000000430318	2-DRAWER LATERAL FILES (2)	7-1995
000000430319	STEEL OFFICE TABLES (2)	7-1995
000000430320	STEEL SIDE ARMCHAIRS (5)	7-1995
000000430322	SANYO UNDER COUNTER REFRIGERAT	7-1995
000000430323	METAL STORAGE CABINETS (2)	7-1995
000000430324	POSTURE CHAIR	7-1995
000000430325	WOOD LAB COUNTER	7-1995
000000430326	2-DRAWERS LETTER FILE	7-1995
000000430327	LAMINATED PLASTIC TABLE	7-1995
000000430328	LAMINATED PLASTIC CONFERENCE T	7-1995
000000430329	STEEL LOCKERS (5)	7-1995
000000430330	BROTHER ELECTRIC TYPEWRITER	7-1995
	NA	
000000430331	2-DRAWER LEGAL FILE	7-1995
000000430332	4-DRAWER LEGAL FILE	7-1995
000000430333	QUASAR 20" COLOR TV	7-1995
	NA	
000000430335	IBM SELECTRIC TYPEWRITER	7-1995
	NA	
000000430339	IBM PS/278 PC 486	7-1995
	23CBHP9	
000000430340	IBM PS/278 486 PC	7-1995
	23CBL-6	
000000430341	SHARP FAX MACHINE FO-5210	7-1995
	00103209	
000000430342	OPTI 386 PERSONAL COMPUTER	7-1995
	NA	
000000430344	SHARP PRINTING CALCULATORS(2)	7-1995
	NA	

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ASSET NUMBER	DESCRIPTION	ACQ DATE
000000430345	HP LASERJET PRINTER III 3221A2237	7-1995
000000430346	NEC PRINTER P6300 5611261131	7-1995
000000430349	MAIN LINE SYSTEMS PC NA	7-1995
000000430352	CEA DOCKAGE TESTER	7-1995
000000430354	SAMPLING EQUIP/BALANCES	7-1995
000000430355	STRAND SIZE SHAKER MDL 9	7-1995
000000430357	2ID TUBES PNEUMATIC TUBE SYS	7-1995
000000430358	PENNSYLVANIA SCALE MDL 7-701	7-1995
000000430359	DOUBLE PEDESTAL STEEL DESK(MAT)	7-1995
000000430362	FOLDING TABLE (MAIN SHOP)	7-1995
000000430363	STEEL LOCKERS (4) MAINT SHOP	7-1995
000000430366	PORTABLE HANG PLAN FILE MAINT	7-1995
000000430367	WALL MOUNTED DRAFTING TABLE	7-1995
000000430368	3-DRAWER LETTER FILE(MAINT)	7-1995
000000430369	2DRAWER LETTER FILE(MAINT)	7-1995
000000432146	486 DX2 COMPUTER 295228	7-1995
000000438727	30"X66" PREMIER DESK/RETURN	6-1996
000000448906	PC 5L HAND WELD COMPUTER 124012719	2-1997
000000456794	HP VECTRA VLH PC US64355245 .1280	12-1996
000000502968	HP VECTRA VL7 W/MONITOR 88706044	6-1998
000000511054	WIRELESS BRIDGE 88409628EF29	6-2000
000000529475	MORSTAR PHONE SYSTEM NA	6-2000
000000538000	OFFICE CABLING	4-2001
900000458380	GATEWAY 2000 COMPUTER & MONITO DBPPR0266PIA	6-1996
CLASS 5000	AUTOS AND TRUCKS	
000000438378	1993 FORD F-150 PICKUP 212515	7-1995

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ASSET NUMBER	DESCRIPTION	ACQ DATE
CLASS 2000	BUILDINGS	
000000427499	OFFICE REMODEL COASTAL/FGIS LA	2-1996
CLASS 3000	PLANT EQUIPMENT	
000000427497	CARDINAL 738 SCALE - RAIL PIT	1-1996
CLASS 4000	OFFICE EQUIPMENT	
000000385458	OKIDATA PRINTER 40930098617 13232-B	2-1996
000000385459	OKIDATA PRINTER 411B0108497 13233-B	2-1996
000000385460	OKIDATA PRINTER 411B0108454 13234-B	2-1996
000000388719	CABLE MATERIALS	12-1995
900000384063	384063 DESKTOP WORKSTATION 3432A12919 10522-B	11-1994
900000384065	384065 DESKTOP WORKSTATION 3432A12754 10521-B	11-1994
910000437779	VECTRA VL4 SUS62651497 CGD-1340	1-1997

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ASSET NUMBER	DESCRIPTION	ACQ DATE	D M
CLASS 4000 OFFICE EQUIPMENT			
000000511052	WIRELESS BRIDGE	6-2000	
	00409627C988		
000000511054	WIRELESS BRIDGE	6-2000	
	00409627E27C		
000000511057	LABOR CABLE	6-2000	
000000526218	ETE PHONE SYSTEM OFFICE	5-2000	
000000526306	FORWARDER WORK STATION 2000	2-2000	
[REDACTED]			
000000537785	WIRELESS BRIDGE	6-2000	
	00409628E016		
000000045826	STORAGE CABINET	11-1978	
000000256342	OKIDATA MICROLINE PRINTER	11-1988	
	803A0016444 320		
000000256954	SC 42" 4/DRAWER FILE CABINET	1-1989	
000000259771	SC 20X72 UNIT W/4 LAT FILE CAB	1-1989	
000000287335	4 DR LATERAL FILE CABINET 42"	6-1990	
[REDACTED]			
000000425529	MODE WORK STATION FORWARDER	9-1995	
[REDACTED]			
000000425532	MODE WORK STATION CLERK	9-1995	
000000425533	MODE WORKSTATION FORWARDER	9-1995	
000000425534	MODE WORKSTATION CLERK	9-1995	
010000261878	SC DESIGN IN WOOD BOOKCASE	3-1989	

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ASSET NUMBER	DESCRIPTION	ACQ DATE
CLASS 1500 LAND IMPROVEMENTS		
000000144547	RAIL TRACKAGE	3-1982
000000212205	89 TURNOUT-TRACK SWITCH	7-1986
000000269432	RAILWORK 2ND PIT	8-1989
000000320481	T-Y ASPHALT ISLAND	10-1991
000000357191	UPGRADE T4 RAIL TRACKS	5-1993
000000376524	RAIL SPUR	11-1993
000000422717	14 WOOD FENDER PICINGS	8-1995
000000422718	20" PIPE PILE	8-1995
000000422719	16" PIPE PILE	8-1995
000000446285	PAVING AREA A	8-1996
000000446286	PAVING AREA B	8-1996
000000522072	MCC UNDERGROUND WIRING	8-1999
CLASS 2000 BUILDINGS		
000000132115	MCC BLDG.-CONCRETE BLOCK	12-1980
000000222702	OFFICE REMODELING	2-1987
000000249303	LIGHTING-HEAD HOUSE	7-1987
000000269388	2 OFFICES IN LAB.	9-1989
000000353585	REMODEL OFFICE T4	6-1992
000000370441	CHEMICAL STORAGE BLDG	11-1993
000000392356	RAILSHED ROOF	10-1994
000000411434	ELECTRICAL ROOM	1-1995
000000427498	RESTROOM REMODEL HEADHOUSE	1-1996
000000434478	CONCRETE PAD	3-1996
CLASS 3000 PLANT EQUIPMENT		
000000015982	TRUCK DUMP	12-1954
000000015988	CHICAGO BRAKE #812	3-1955
000000015989	SLIP ROLL NIAGARA #351	3-1955
000000015910	DOCKAGE TESTER CARTER 192	2-1957
000000015915	SIEVE SHAKER	2-1962
000000015918	GRN SAMPLER PROBE A VAC 157	2-1963
[REDACTED]		
000000043228	HOPPER CAR PIT	2-1978
000000043221	ADD TO PROP NO.43220 IRC 179	2-1978
000000057071	SPOUTING & CONVEYORS	5-1969
000000082704	DUST COLLECTION STORAGE TANK	5-1977
000000086200	ABARGE RECEIVING SYSTEM	11-1977
000000090676	AIR POLLUTION SYSTEM	5-1978

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000121102	SPRINKLER SYSTEM	6-1980
000000122746	INGERSOLL RAND WU AIR WINCH	9-1980
000000132116	CONTROL PANEL	12-1980
000000132117	MOTOR CONTROL CENTER #1	12-1980
000000132118	MOTOR CONTROL CENTER #2	12-1980
000000132119	POWER & CONTROL WIRING	12-1980
000000135579	BIN TOP CROSS BUMPER	3-1981
000000144546	HOLAM CAR MOVER-HCM-52	3-1982
000000174378	SHIP LOADING SPOON-PECOS	6-1984
000000215521	RAIL CAR OPENER	11-1986
000000220155	14" OF 24" AUGER	11-1986
000000220156	10 HYDRAULIC GATES	11-1986
000000249919	TANK 1 FILL VALVE	5-1988
000000249920	ELEC. CONTROL WIRING	5-1988
000000249921	TANK 1 DIST AUGER	5-1988
000000249922	BIN TOP VIDEO SYSTEM	5-1988
000000249923	BIN EMPTY SENSOR SYSTEM	5-1988
000000249924	BIN TOP MONITOR SYSTEM	5-1988
000000249925	POWER WIRING	5-1988
000000249926	BIN MEASURING SYSTEM	5-1988
000000252542	ADD TO ASST #249926	6-1988
000000253758	520 GALLON STORAGE FUEL TANK	9-1988
000000255165	MARTIN VIBRATOR W/BRACKET	10-1988
000000259753	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259754	1000 LB CAST IRON CLASS "F" TES	1-1989
000000259755	1000 LB CAST IRON CLASS "F" TES	1-1989
000000259756	1000 LB CAST IRON CLASS "F" TE	1-1989
000000259757	1000 LB CAST IRON CLASS "F" TE	1-1989
000000259758	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259759	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259760	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259761	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259762	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259763	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259764	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259765	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259766	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259767	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259768	2500 LB CAST IRON CLASS "F" TE	1-1989
000000259780	COMPUDRAFT WEIGHING CONSOLE	1-1989
000000259781	OPTICAL ISOLATION RELAY BOX	1-1989
000000261344	CCTV CAMERA & MONITOR	1-1989
000000261349	8 CAST IRON TEST WEIGHTS	1-1989
000000261350	MISC ELEC WIRE & CABLE	1-1989
000000261351	ALLEN BRADLEY PLC EQUIP	1-1989

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J12 CARGILL, INCORPORATED

PR

LED 0020 SU

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000261352	ELEC PANEL ENCLOSURES	1-1989
000000261353	ISOLATION TRANSFORMERS	1-1989
000000262016	CAR60 DIVIDER	5-1989
000000262017	STAND SIZER	5-1989
000000262021	SEEDBURD TV SCALE & HOPPER	3-1989
000000262022	TORSION BALANCE SCALE	3-1989
000000262770	TRUCK SCALE INSTRUMENT	1-1989
000000266336	2500 CFM PRESSURIZATION FAN	6-1989
000000266529	DETACHED 12 IN MONITOR	6-1989
000000269075	RHEEM HIRPNOO 18 PKGD HEAT PUM	9-1989
000000269423	HOPPER SCALE SYSTEM 7	8-1989
000000269424	VIDEO MONITOR 2ND PIT	8-1989
000000269425	RAIL REC LES SYSTEM 7	8-1989
000000269426	DRAG CONVEYOR #72	8-1989
000000269427	DRAG CONVEYOR #74	8-1989
000000269428	CAR PROGRESSOR-SER WH25622	8-1989
000000269429	CAR OPENER--SER 2034	8-1989
000000269450	ELECTRICAL POWER WIRING	8-1989
000000269451	SPOUTING SYSTEM 7	8-1989
000000269453	RAIL REC PIT SYSTEM 7	8-1989
000000272115	SCREEN CONVEYOR-RAIL DUST LDOUT	11-1989
000000280691	COMPUWEIGH 2000 BATCH WGT INS	3-1990
000000299287	ALLEN BRADLEY PLC EQ	1-1991
000000300947	SCANCENTER HAZARD MONITOR	1-1991
000000307637	COMPUWEIGH SCALE W/PRINTER	1-1991
000000307638	COMPUWEIGH SCALE W/PRINTER	1-1991
000000307933	SAFTRONICS 7.544 DRIVE 7.5HP	3-1991
000000307948	STAR PRNTR GATE BOARD	1-1991
000000317053	T4 STORAGE CONTAINER-40' STEEL	8-1991
000000330960	BARGE MONITOR-CAMERA	1-1992
000000336645	2-50KVA DRY TYPE TRANSFORMERS	7-1992
000000336646	2-2000 KVA DRY TYPE TRANSFORME	7-1992
000000342608	COMPUWEIGH 2000 BARGE SCALE	12-1992
000000342610	300 GAL DIKE TANK	11-1992
000000346409	ALLEN BRADLEY PLC EQUIP	2-1993
000000357188	UPGRADE 7 STORAGE TANK TOPS	5-1993
000000357189	UPGRADE 4 STORAGE TANK BOTTOMS	5-1993
000000357190	UPGRADE T4 STORAGE TANK DRAGS	5-1993
000000370422	DUST LOAD OUT SYSTEM	11-1993
000000370423	ELECTRICAL FOR DUST LOAD OUT	11-1993
000000411422	DUST SEPARATOR (BUHLER)	1-1995
000000411423	CONVEYOR TRAMCO #7 3000BPH	1-1995
000000411424	CONVEYOR TRAMCO #10 10000BPH	1-1995
000000411425	CONVEYOR TRAMCO #65 1600BPH	1-1995
000000411426	CONVEYOR TRAMCO #17 1,600BPH	1-1995
000000411427	CONVEYOR TRAMCO #66 1,600BPH	1-1995

LED 0020 SUB

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000411428	CONVEYOR SCREW #8	1-1995
000000411429	SCREW CONVEYOR #14	1-1995
000000411430	SCREW CONVEYOR #18	1-1995
000000419493	ROOF FRONT BIN TOPS	8-1995
000000419503	PIGEON SCREENING	9-1995
000000425527	GLASSER 1 DRIVE	12-1995
000000426275	63 SODIUM EXPLOSION PROOF LIGH	1-1996
000000427502	TANK ROOFING	1-1996
000000434438	HAZARD MONITORING SYSTEM	3-1996
000000434469	BELT CLEANER	1-1996
000000439143	SLIDE GATE 1 # CONTROLS	6-1996
000000439144	SLIDE GATE 2 # CONTROLS	6-1996
000000439145	SLIDE GATE 43 # CONTROLS	6-1996
000000440208	40' H C CONTAINER(STORAGE)	11-1996
000000446298	TANK #7 UPGRADE	8-1996
000000447885	HEAD PULLEY WIRING & CONTROLS	8-1996
000000448886	CROWCON PORTABLE GAS MONITOR	12-1996
000000448907	RAILYARD CAMERA & MONITOR	1-1997
000000458466	TANK PULL STATION (1)	6-1997
000000458467	GANTRY RADIO REMOTE CONTROL	6-1997
000000458468	GANTRY RADIO REMOTE CONTROL	6-1997
000000458729	40' STEEL HIGH CUBE CONTAINER	7-1997
000000478337	TANK PULL STATION #7	3-1998
000000493765	N. PECO DUST REDUCER NOZZLE	7-1998
000000504862	ELEVATED PULL STATION TANK1	3-1999
000000504863	ELEVATED PULL STATION ON TANKS	3-1999
000000504864	S. PECO DUST REDUCING NOZZEL	1-1999
000000522070	HIGH VOLT PWR FRM MCC TO DOCK	8-1999
000000522073	MCC NEW PLC 1999	8-1999
000000522074	2 TRANSFORMERS SWITCH GEAR	8-1999
000000522075	MCC CONTROL CENTER DOCK	8-1999
980000261347	BATCH WEIGHING SCALE INST	1-1989
980000427205	CLEANER 2 UPGRADE	1-1996
CLASS 4000 OFFICE EQUIPMENT		
000000836908	SAFE	2-1968
000000836911	DESK W/CABINETS	2-1968
000000836918	CONFERENCE DESK-JOFCO	2-1968
000000836920	EXEC DESK-JOFCO	2-1968
000000838469	LUNCHROOM TABLE	5-1977
000000136244	STORAGE SHELVEING	8-1981
000000189737	REFRIGERATOR	6-1985
000000248744	TOSHIBA P351 3 IN 1 PRINTER	6-1987
	ZA 36462 P 351	

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012 CARGILL, INCORPORATED

PRO

LED 0020 SUB

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000256953	SC LATERAL FILE	1-1989
000000259775	UNIDEN REPEATER & ANTENNA	12-1988
	N/A ARU251KT	
000000266324	FALLING HBR LAB CABINETRY	6-1989
000000266327	TELEX 4320 CARAMATE SLIDE PROJ	6-1989
	N/A	
000000288537	MOTOROLA UHF EXPO PORTABLE RAD	6-1990
	446AKJ1152	
000000307947	MAINT MGMT SOFTWARE PROGRAM	12-1990
	N/A MHP2000	
000000307949	VIDEO CAMERA-CCTV SYSTEM	12-1990
	35107492 3825	
000000355581	SHIP MONITOR CARGILL	12-1992
	8006233	
000000355582	SHIP MONITOR FGIS	12-1992
	8002238	
000000355583	SHIP CAMERA NORTH	12-1992
	62201358	
000000355584	SHIP CAMERA SOUTH	12-1992
	62201360	
000000376338	PRINTER HP4-LASERJET	6-1994
	JPB075727	
000000388720	CABLING LABOR & MATERIALS	12-1995
	NA	
000000394547	HP VECTRA H2 4/66 PC 16M/340HD	8-1994
	3430A02088	
000000413910	486 DX2 COMPUTER	6-1995
	295085	
000000413911	486 DX2 66 COMPUTER	6-1995
	295081	
000000419673	PENTIUM COMPUTER-RAIL DSK SERV	9-1995
	295301	
000000422649	486 DX2 COMPUTER	7-1995
	295244	
000000426274	NORSTAR PHONE & VOICEMAIL SYST	10-1995
	NA	
000000448908	PC52 HANDHELD RAIL COMPUTER	1-1997
	1240127537	
000000477921	MAIN OFFICE DESK/SHELVEING SYS	6-1997
000000065613	GE LOCOMOTIVE UNIT 102478	12-1974
	102461	

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0020 S

ASSET NUMBER	DESCRIPTION	ACQ DATE
000000411445	FRONT ENDLOADER WALDON 8500C	2-1995
211644		

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912 CARGILL, INCORPORATED

LED 0020 S

ASSET NUMBER	DESCRIPTION	ACQ DATE
CLASS 1500 LAND IMPROVEMENTS		
900000370413	ADDITION TO PIER 1	6-1993
900000370415	BARGE FACILITY	6-1993
900000370419	RAILROAD TRACKS	6-1993
CLASS 2000 BUILDINGS		
900000370417	OFFICE BUILDING	6-1993
CLASS 3000 PLANT EQUIPMENT		
900000370414	MOVABLE GANTRIES & SPOUTING	6-1993
900000370416	REVISION OF WORKHOUSE SYSTEMS	6-1993
900000370418	AIR/WATER POLLUTION CIL EQUIP	6-1993
900000370420	PASSENGER ELEVATOR	6-1993

CARG000755

ASSET NUMBER	DESCRIPTION	ACQ DATE
CLASS 2000	BUILDINGS	
900000411437	BEEF PULP PELLET BUILDING	1-1995
CLASS 3000	PLANT EQUIPMENT	
900000411417	PELLET MILL #1	1-1995
900000411418	PELLET MILL #2	1-1995
900000411419	PELLET CLEANER #1 (BAUSCH)	1-1995
900000411420	PELLET CLEANER #2 (BAUSCH)	1-1995
900000411421	PELLET COOLER (GEELEN)	1-1995
900000411431	BIN BOTTOMS 341	1-1995
900000411432	BIN BOTTOMS 383	1-1995
900000411433	SCREENINGS BIN	1-1995
900000411435	REPETE PELLET MILL CONTROLS	1-1995
900000411436	TANK TEMPERATURE MONITORING	1-1995

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Burbank

PRODUCT DESCRIPTION	Model	Network ID	Network Type	Comments		
Color Printer	HP LaserJet 1100XI	p7ww	WIRELESS			
CSU/DSU	Adtran		10BaseT			
Desktop PC	Compaq Deskpro 2000	A1WW	10BaseT			
Desktop PC	IBM 300 GL 400	D4WW	WIRELESS			
Desktop PC	IBM 300 GL 400	D18WW	WIRELESS			
Desktop PC	IBM 300PL 550	D13WW	WIRELESS			
Desktop PC	IBM 300PL 550	D8WW	WIRELESS			
Desktop PC	IBM 300PL 550	D3WW	WIRELESS			
Desktop PC	IBM 300PL 733	D1WW	WIRELESS			
Desktop PC	IBM 300PL 733	D12WW	WIRELESS			
Desktop PC	IBM 300PL 733	D7WW	WIRELESS			
Desktop PC	IBM 300PL 733	D11WW	WIRELESS			
Desktop PC	IBM 300PL 733	D5WW	WIRELESS			
Desktop PC	IBM 300PL 733	D10WW	WIRELESS			
External Print Server	Lantronix EPS-1	PR1ww	10BaseT	Used for dump monitor		
Laptop PC	IBM T20 Laptop Computer		None			
LaserJet	HP LaserJet 4050T	p7ww	WIRELESS			
LaserJet	HP LaserJet 4050TN	p7ww	WIRELESS			
LaserJet	HP LaserJet 4050TN	p7ww	WIRELESS			
LaserJet	HP LaserJet 4L Printer	p7ww	WIRELESS			
LaserJet	HP LaserJet 4L Printer	p7ww	WIRELESS			
Network Hub	Cisco 1912 Switch	h1ww	10BaseT			
Patch Panel	Nordx 24 port with BIX style					
PtP Rf Bridge	Cisco BR340	rf1ww	10BaseT	Used to connect Pasco to Burbank		
PtP Rf Bridge	Cisco BR340	rf2ww	10BaseT	Used to connect Pasco to Burbank		
PtP Rf Bridge	Cisco BR340	rf3ww	10BaseT	Used to connect Pasco to Burbank		
Remote Network Probe	Netscout 6010	n1ww	10BaseT			
Router	Cisco 2600	r1ww	10BaseT			
Scale ticket Printer	Brother Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					

Video Monitor	Hp ergo		
Video Monitor	Hp ergo		
Video Monitor	Hp ergo		
Video Monitor	IBM P76		
Video Monitor	NEC Multisync E700		
Video Monitor	NEC Multisync E700		
Video Monitor	NEC Multisync E700		
Video Monitor	NEC Multisync E700		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC Multisync FE750		
Video Monitor	NEC multisync XV17+		
Wall Mount Rack	19" open frame(24" tall)		
Wireless Access Point	Orinoco AP-1000	ac1ww	10BaseT
Wireless Access Point	Orinoco AP-1000	ac2ww	10BaseT

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Backup, Not hooked up

Portland - Irving

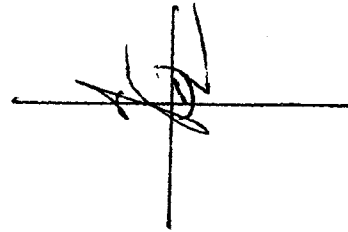
PRODUCT DESCRIPTION	Model	Network ID	Network Type	Comments	
Desktop PC	HP Vctr N2 UG	D8RO	10BaseT		
Desktop PC	HP Vctr N2 UG	D26RO	10BaseT		
Desktop PC	HP VL4 5/100 UG	D28RO	10BaseT		
Desktop PC	HP VL5 5/166 UG	D29RO	10BaseT		
Desktop PC	HP VL5 5/200	D25RO	10BaseT		
Desktop PC	HP VL5 5/200 UG	D21RO	10BaseT		
Desktop PC	IBM 300PL 733	D24RO	10BaseT		
Desktop PC	IBM 300PL 733	D22RO	10BaseT		
External Print Server	Lantronix EPS-1	PR1RO	10BaseT	Used for dump monitor or printer	
Laser Printer	HP LASER JET 4+	P?RO	10BaseT		
Network Hub	Cisco 1924	H3RO	10BaseT		
Patch Panel	Nordx 24 port with BIX style				
PtP Rf Bridge	Cisco BR340	RF2RO	10BaseT	Used to connect to office across river at 1750 NW Naito Parkway	
Scale ticket printer	OKIDATA 590 DOT MATRIX				
Scale ticket printer	OKIDATA 590 DOT MATRIX				
Scale ticket printer	OKIDATA 590 DOT MATRIX				
Video Monitor	HP Ergo				
Video Monitor	HP Ergo				
Video Monitor	HP Ergo				
Video Monitor	HP Ergo				
Video Monitor	HP Ergo				
Video Monitor	IBM P76				
Video Monitor	IBM P76				
Video Monitor	NEC Multisync E700				
Wall Mount Rack	19" open frame(24" tall)				

Lewiston

PRODUCT DESCRIPTION	Model	Network ID	Network Type	Comments	
GSU/DSU	Adtran		10BaseT		
Desktop PC	Compaq Deskpro 2000	d11ewi	10BaseT		
Desktop PC	IBM 300PL 733	d5lewi	Wireless		
Desktop PC	IBM 300PL 733	d13lewi	Wireless		
Desktop PC	IBM 300PL 733	d15lewi	Wireless		
Desktop PC	IBM 300PL 733	d6lewi	Wireless		
Desktop PC	IBM 300PL 733	d10lewi	Wireless		
Desktop PC	IBM 300PL 733	d12lewi	Wireless		
Desktop PC	IBM 300PL 733	d4lewi	Wireless		
Desktop PC	IBM 300PL 733	d2lewi	Wireless		
Desktop PC	IBM 300PL 733	d14lewi	Wireless		
Desktop PC	IBM 300PL 733	d3lewi	Wireless		
Desktop PC	IBM 300PL 733	d1lewi	Wireless		
Desktop PC	IBM 300PL 733	d9lewi	Wireless		
Desktop PC	IBM 300PL 733	d7lewi	Wireless		
Laser Printer	HP LaserJet 4050TN	p1lewi	Wireless		
Laser Printer	HP LaserJet 4050TN	p2lewi	Wireless		
Laser Printer	HP LaserJet 4050TN	p3lewi	Wireless		
Network Hub	Cisco 1912	n1lewi	10BaseT		
Remote Network Probe	Netscout 6010	n1lewi	10BaseT		
Router	Cisco 2600	r1lewi	10BaseT		
Scale ticket Printer	Brother Dot Matrix Printer				
Scale ticket Printer	Brother Dot Matrix Printer				
Scale ticket Printer	Okidata 590 Dot Matrix Printer				
Scale ticket Printer	Okidata 590 Dot Matrix Printer				
Video Monitor	Hp ergo monitor				
Video Monitor	Hp ergo monitor				
Video Monitor	NEC Multisync XV15+ Monitor				
Video Monitor	NEC Multisync XV15+ Monitor				

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Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Video Monitor	NEC Multisync XV15+ Monitor
Wall Mount Rack	19" open frame(24" tall)
Wireless Access Point	Orinoco AP-1000
Wireless Access Point	Orinoco AP-1000
Wireless Access Point	Orinoco AP-1000



Backup- not connected at this time

The Rules

PRODUCT DESCRIPTION	Model	Network ID	Network Type	Comments		
CSU/DSU	Adtran		10BaseT			
Desktop PC	HP Vctr N2 UG	D4DAL	10BaseT			
Desktop PC	HP VE4 5/233 UG	D2DAL	10BaseT			
Desktop PC	HP VL5 5/200	A1DAL	10BaseT			
Desktop PC	IBM 300 GL 400	D1DAL	10BaseT			
Fiber Optic Cable Run	Siecor-6 Strand/ Gel filled/ 62.5 Micron/Multimode			Cable runs from office to scale house		
Fiber Optic Cable Termination Box	Nordx 12 strand indoor termination box			Located in office building		
Fiber Optic Cable Termination Box	Nordx 12 strand indoor termination box			Located in scale house		
Fiber Optic Media Converter	DIGI/MILAN - 140T (10BaseT to 10BaseFL)		10BaseT			
Fiber Optic Media Converter	DIGI/MILAN - 140T (10BaseT to 10BaseFL)		10BaseT			
Laser Printer	HP LaserJet 4+ Printer		10BaseT			
Network Hub	Cisco 1912 Switch	H1DAL	10BaseT			
Patch Panel	Nordx 24 port with BIX style					
Remote Network Probe	Netscout 6010		10BaseT			
Router	Cisco 2600		10BaseT			
Scale ticket Printer	Brother Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Video Monitor	Hp ergo monitor					
Video Monitor	Hp ergo monitor					
Video Monitor	Hp ergo monitor					
Video Monitor	NEC Multisync XV15+ Monitor					
Wall Mount Rack	19" open frame(24" tall)					

Hp ergo monitor
Hp ergo monitor
Hp ergo monitor
NEC Multisync XV15+ Monitor
HP Vctr N2 UG
HP VE4 5/233 UG
HP VL5 5/200
IBM 300 GL 400

Pasco

PRODUCT DESCRIPTION	Model	Network ID	Network Type	Comments		
Desktop PC	IBM 300PL 733	D16WW	10BaseT			
Desktop PC	IBM 300PL 733	D15WW	10BaseT			
Fiber Optic Cable Run	Siecor-6 Strand/ Gel filled/ 62.5 Micron/Multimode			Cable runs from office to probe house		
Fiber Optic Cable Termination Box	Siecor 12 strand indoor termination box			Located in office building		
Fiber Optic Cable Termination Box	Siecor 12 strand indoor termination box			Located in probe house		
Fiber Optic Media Converter	DIGI/MILAN - 140T (10BaseT to 10BaseFL)		10BaseT			
Fiber Optic Media Converter	DIGI/MILAN - 140T (10BaseT to 10BaseFL)		10BaseT			
Network Hub	Cisco 1912 Switch	D2WW	10BaseT			
PtP Rf Bridge	Cisco BR340	rf5ww	10BaseT	Used to connect Pasco to Burbank		
PtP Rf Bridge	Cisco BR340	rf6ww	10BaseT	Used to connect Pasco to Burbank		
PtP Rf Bridge	Cisco BR340	rf4ww	10BaseT	Used to connect Pasco to Burbank		
Scale ticket Printer	Brother Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Scale ticket Printer	Okidata 590 Dot Matrix Printer					
Video Display	Hp ergo monitor					
Video Display	NEC Multisync FE750					

Bardman

[illegible]

Arlington

[illegible]

EXHIBIT "C"**Rent**

The following is the annual rental breakdown by location:

Irving \$1,000,000.00

T4 -0-

Arlington \$ 40,000.00

Boardman \$ 110,000.00

Burbank \$ 80,000.00

Pasco \$ 30,000.00

Dalles \$ 25,000.00

Lewiston \$ 115,000.00

\$ 6,900.00 taxable personal property

\$108,100.00 nontaxable real estate

TOTAL RENT: \$1,400,000.00

EXHIBIT D**Structural and Operational Assessments for Each Cargill Facility**

All issues shall be resolved by the responsible party in a reasonable time period except as specifically set forth below:

Arlington, OR

Issue	Party Responsible
Headhouse handrail brought to code	Lessor (within 5 years)
Hard wire aeration fans	Lessor (within 5 years)
Mineral oil add system	Lessor (within 5 years)

Boardman, OR

Issue	Party Responsible
Various guarding issues	Lessor
Replace South leg drive reducer	Lessor
Add screw take ups on legs	Lessor
Mineral oil add system	Lessor (within 5 years)
Test well	Lessor

Burbank, WA

Issue	Party Responsible
Bend pulleys on legs need rub blocks	Lessor
Bin top hand rails not to code	Lessor (within 5 years)
Tank #7 repairs around door	Lessor
Big flat storage building repairs	Lessor
Hard wire aeration fans	Lessor (within 5 years)
Mineral oil add system	Lessor (within 5 years)
Test well	Lessor

Lewiston, ID**Issue**

Toe boards, railings, etc.

Oil leak main leg drive

Rail fall protection

Walkway along bin top screw conveyor or engineered fall protection

Party Responsible

Lessor

Lessor

Lessor (within 5 years)

Lessor

Pasco, WA**Issue**

Hazard monitoring , 2 belts not covered in system

Handrails guards

Bank stabilization

Mineral oil add system

Party Responsible

Lessor (if facility operates)

Lessor

Port of Pasco

Lessor (within 5 years)

Portland, OR (Terminal 4)**Issue**

Railing on car shed roof

Various electrical issues-old wire/conduits

Office fire alarm panel - replacement

Leg #7 venting

All dust system main fans need guards over outlets

Rail fall protection

Hazard monitoring to Cargill specifications

Concrete spalling

Dust system high pressure line repairs

Paint on steel tanks (lead paint?)

Clean up hydraulic leak C-10 motor building + rock

Party Responsible

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (if facility operates)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor (within 5 years)

Lessor

Portland, OR (Irving)

Issue

Truck dump dust returns to leg, needs changed

Dredging

Bioaccumulation testing of dredge spoils

Party Responsible

Lessor

Lessor \$250M if needed and used by 12/31/02. Will be extended if permitting is delayed by regulatory agencies

Lessor

The Dalles, OR

Issue

Guarding issues, mainly handrails

Minor electrical items

Load limit on truck trestle, some planks need replaced

Mineral oil add system

Party Responsible

Lessor

Lessor

Lessor

Lessor (within 5 years)

EXHIBIT "E"**Dispute Resolution**

1. **Mediation.** If a dispute or disagreement arising out of, or relating to, the formation, interpretation, performance or breach of this Lease or any amendment hereto, exists (a "Dispute"), either party may require the other party to submit the reasons for its position, in writing, and to then enter into good faith negotiations to attempt to resolve the Dispute. If such Dispute cannot be settled by good faith negotiation among the parties within thirty (30) days, either party may require that the Dispute be submitted in writing for resolution to senior management representative of both parties ("Senior Representative"). If such Dispute is not resolved within sixty (60) days of having been submitted to the Senior Representatives, either party may require that the Dispute be resolved in accordance with Section 2 hereinbelow. All negotiations and written statements pursuant to this Exhibit E are confidential and shall be treated as compromise and settlement negotiations for purposes of the U.S. Federal Rules of Evidence and state rules of evidence. If the parties reach agreement pertaining to any Dispute pursuant to the procedures set forth in this Exhibit E, such agreement shall be reduced to writing, signed by the parties and shall be final and binding upon them.

2. **Arbitration.**

(a) If the Dispute cannot be resolved as a result of the negotiations generally described in Section 1 hereinabove or within such additional time frame as the parties may mutually agree to, the Dispute shall be settled by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"); provided, however, that if such rules are inconsistent with any of the provisions of this Agreement, the terms and conditions of this Agreement shall control. Any such arbitration shall be conducted in Portland, Oregon at a place and time agreed upon by the parties or, failing agreement, selected by the arbitrators.

(b) Any arbitration shall be conducted before a panel of three (3) arbitrators who shall be compensated for their services at a rate to be determined by the AAA in the event the parties are not able to agree on their rate of compensation, but based upon hourly or daily consulting rates for the neutral arbitrator reasonably consistent with such arbitrator's normal charges for fees. Within fifteen (15) business days after notice by any party seeking arbitration under this provision, the party requesting arbitration shall appoint one (1) arbitrator and within fifteen (15) business days thereafter the other party shall appoint the second arbitrator. The persons so appointed shall meet the qualification requirements set forth in Section 2(c) hereinbelow. Within fifteen (15) business days after the appointment of the second arbitrator, the two arbitrators so chosen shall mutually agree upon the selection of the third, impartial and neutral arbitrator who must have knowledge of lease agreements similar to the Lease. In the event the arbitrators cannot agree upon the selection of the third arbitrator, the AAA rules for selection of such an arbitrator shall be followed, provided that the selection is from among such persons who meet the above-stated requirements. Notwithstanding anything to the contrary in the foregoing, for any Dispute for which the amount in controversy is less than \$50,000, only one (1) arbitrator shall be used, and shall be selected by written agreement of the parties (or if agreement cannot be reached by the parties, by the AAA).

(c) Each arbitrator so appointed shall have substantial experience and familiarity with the type of business to be conducted by the Company as contemplated by the Business Purpose and lease agreements similar to the Lease.

(d) Each party shall bear its own costs and expenses of arbitration including, but not limited to, filing fees and attorneys' fees and each party hereby agrees to pay its pro rata share of the administrative fees of the AAA and of the compensation to be paid to the arbitrators in any such arbitration and its pro rata share of the costs of transcripts and other expenses of the arbitration.

proceedings, subject, however, to allocation of costs and expenses (excluding attorneys' fees) by the arbitrators consistent with the award.

(e) The parties shall make available to the arbitrator(s) all non-privileged books, records, schedules and other information reasonably requested by them. Such materials are to be made available to the arbitrator(s) at such times as are deemed necessary by them to make their decision as herein provided.

(f) The arbitrator(s) may conduct any pre-trial proceedings by telephonic conference call rather than by a face-to-face meeting.

(g) The arbitrator(s) shall, prior to rendering their decision on the arbitration matter, afford each party an opportunity, both orally and in writing, to present any relevant evidence (the formal rules of evidence applicable to judicial proceedings shall not apply) and to express, orally and/or in writing that party's point of view and arguments as to the proper determination of the arbitration matter; provided, however, that any party submitting written material shall be required to deliver a copy of such written material to the other party concurrently with the delivery thereof to the arbitrator(s) and such other party shall have the opportunity to submit a written reply, a copy of which shall also be delivered to the other party concurrently with the delivery thereof to the arbitrator(s). Oral arguments shall take place only at a hearing before the arbitrator(s) at which all parties are afforded a reasonable opportunity to be present and be heard.

(h) In the event of a willful default by any of the parties in appearing before the arbitrator(s) after due written notice shall have been given, the arbitrator(s) are hereby authorized to render a decision upon the testimony of the party(ies) appearing before the arbitrator(s).

(i) The arbitrator(s) shall make a decision and award resolving the dispute within forty-five (45) calendar days after the selection of the last arbitrator, or the first arbitrator if only one arbitrator is to decide the dispute; and within fifteen (15) days of the last hearing held concerning such dispute(s).

(j) Any judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(k) Except in the case of Disputes in which the amount in controversy is less than \$50,000, within thirty (30) days after the arbitrators make their decision and award, the arbitrators shall render findings of fact and conclusions of law and a written opinion setting forth the basis and reasons for any decision and award rendered by them and deliver such documents to all parties along with a signed copy of the award. For Disputes in which the amount in controversy is less than \$50,000, the arbitrator shall, within thirty (30) days after his decision and award, render only a brief opinion in support of the award.

(l) The arbitrator(s) shall have the authority to grant any equitable and legal remedies that would be available in any judicial proceeding instituted to resolve a Dispute, including the award of interim or preliminary relief; provided, however, the arbitrator(s) shall not have the authority to award punitive damages.

(m) The arbitrator(s) chosen in accordance with these provisions shall not have the power to alter, amend or otherwise affect the terms of these arbitration provisions in this Lease or any other agreement entered into between the parties, and shall take into effect to the extent possible the intentions of the parties prior to entering into such agreements.

3. Provisional Remedies. The procedures specified in this Exhibit shall be the sole and exclusive procedures for the resolution of Disputes; provided a party, without prejudice to the mandatory procedures of this Exhibit, may file a complaint for tolling of the statute of limitations, or seek a preliminary injunction or other provisional judicial relief, if in its sole judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Notwithstanding such action, the parties will continue to participate in good faith in the procedures specified in this Exhibit.

4. Tolling Statute of Limitations. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in this Exhibit are in process. The parties will take such action, if any, required to effectuate such tolling.

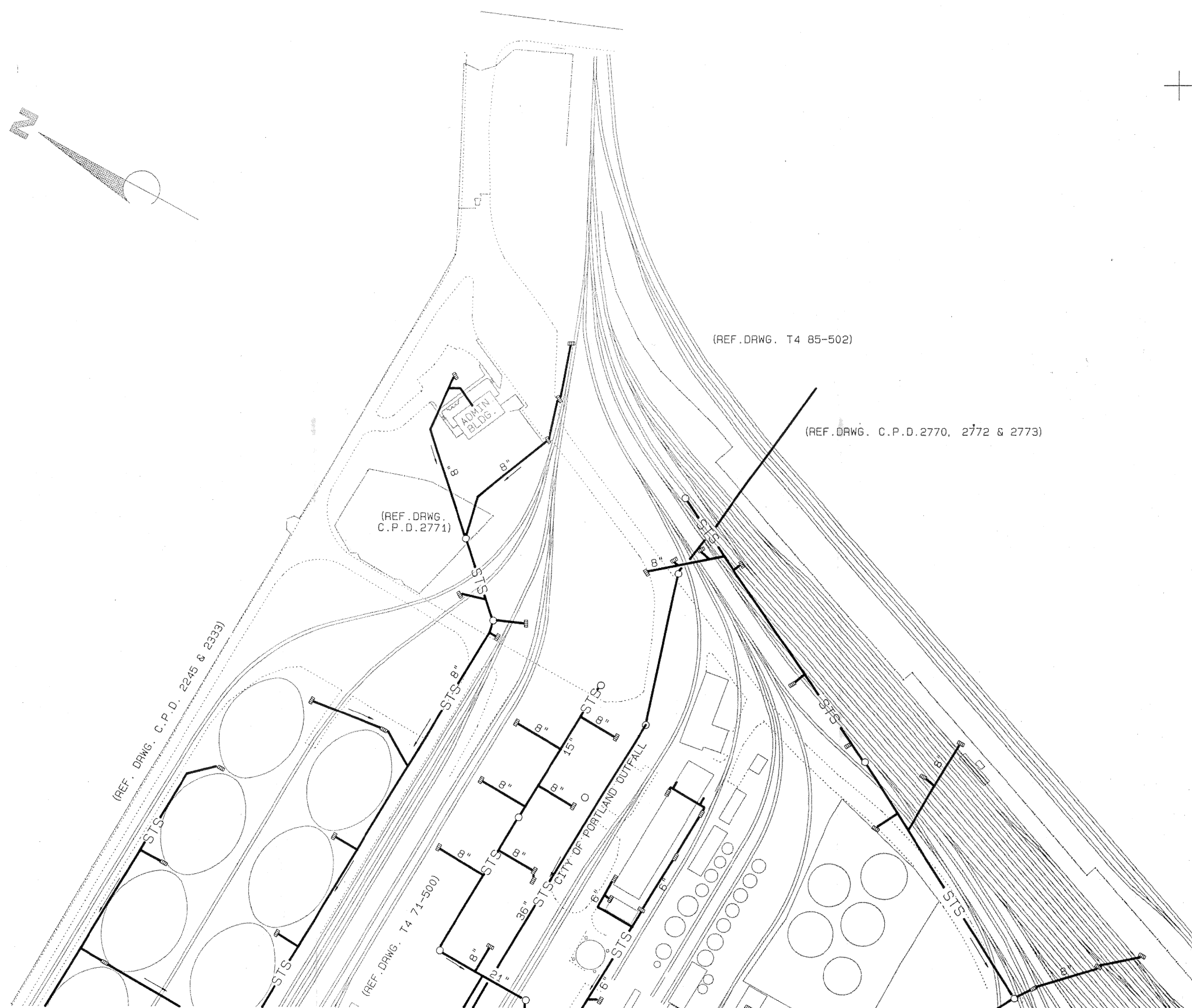
5. Consent to Jurisdiction; Service of Process. SUBJECT TO SECTIONS A AND B SET FORTH HEREINABOVE, EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) AGREES THAT ANY ACTION, SUIT OR PROCEEDING BY EITHER PARTY ARISING FROM OR RELATING TO ANY DISPUTE MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE STATE OF OREGON, TO THE EXCLUSION OF ANY OTHER POTENTIAL STATES HAVING JURISDICTION, AND SUBMITS TO THE JURISDICTION OF SUCH COURTS SOLELY FOR SUCH PURPOSE;

(b) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND WAIVES ANY RIGHT TO OBJECT, WITH RESPECT TO ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY; AND

(c) CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH LITIGATION BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO SUCH PARTY AT THE ADDRESS FOR NOTICES SET FORTH IN THE LEASE, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW).

T-4 0053.PDF



M. Lyngton
PROJECT MANAGER

T4 87-6 2/13 (C-2)

MICROFILMED

T-4 0058.PDF



June 10, 2003

Arnie Schaufler
CLD Pacific Grain LLC
222 Columbia, Suite 1133
Portland, OR 97201

RE: Termination of Cargill/CLD Pacific Grain Sublease for T-4 Facility

Dear Arnie:

As we have discussed and agreed, Cargill and CLD Pacific Grain have determined that the continued operation of the T-4 facility in Portland is uneconomical, and that it is in the best interests of both Cargill and CLD Pacific Grain to cease operations there.

As you know, Cargill leases the T-4 facility from the Port of Portland, and CLD Pacific Grain subleases T-4, along with other Cargill owned or leased facilities, under a lease Agreement dated December 3, 2001 (the "Cargill/CLD Lease".) Cargill has already provided the Port of Portland with a written termination notice in order to terminate the Lease and Agreement between Cargill and the Port of Portland relating to the T-4 effective June 20, 2003.

This will confirm that Cargill and CLD Pacific Grain have likewise agreed to a partial termination of the Cargill/CLD Lease with respect to the T-4 in order to remove this facility from coverage under the Cargill/CLD Lease. This partial termination will also be effective as of June 20, 2003. All other terms and conditions of the Cargill/CLD Lease shall remain in full force and effect.

Please confirm your agreement to the contents of this letter by signing below.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Augustine".

Andy Augustine
BU Controller

Agreed and Accepted:

A handwritten signature in black ink, appearing to read "Arnie Schaufler".

Arnie Schaufler
General Manager
CLD Pacific Grain LLC

T-4 0059.PDF



CONDITIONAL CONSENT TO SUBLEASE

PLEASE SIGN THREE ORIGINALS OF THIS CONSENT. ONE FULLY SIGNED ORIGINAL WILL BE RETAINED BY THE PORT; ONE FULLY SIGNED ORIGINAL WILL BE GIVEN TO LESSEE; AND ONE FULLY SIGNED ORIGINAL WILL BE GIVEN TO SUBLESSEE.

This **CONDITIONAL CONSENT TO SUBLEASE** (this "Consent") is executed by the **PORT OF PORTLAND**, a port district organized under the laws of the State of Oregon (the "Port"), the lessee named in Paragraph 4 ("Lessee"), and the sublessee named in Paragraph 5 ("Sublessee"), and made effective as of December 3, 2001.

1. Full Name of the Lease Agreement between the Lessee and the Port, including Port Agreement No. 75-057:

Lease and Agreement between the Port of Portland and Cargill, Incorporated, dated July 1, 1975, as amended by Supplemental Lease and Agreement dated January 1, 1980; Amendment No. 2 dated July 10, 1991; and Amendment No. 3 dated March 13, 1992 (collectively, the "Prime Lease").
(Port Agreement No. 75-057)

2. Date of Prime Lease:

June 26, 1975

3. End Date of Prime Lease:

The current expiration date of Prime Lease is 6/30/06

4. Full Legal Name of the Port's Lessee under the Prime Lease (and, if the current Lessee is a successor lessee, the full name of Lessee as shown on the Prime Lease):

Cargill, Incorporated, a Delaware Corporation

5. Full Legal Name of the Sublessee:

CLD Pacific Grain, LLC, a _____ Limited Liability Corporation

6. Address for Notices to Sublessee (Must Include Street Address):

222 SW Columbia, Suite 1133
Portland, OR 97201

7. Full Legal Description of premises to be subleased ("Subleased Premises"), including Name of Port Facility (Attach Additional Sheet or Map, if Necessary):

Grain Elevator, structures, fixtures, docks, wharves and facilities known as the Terminal 4 Grain Elevator Facility, as shown on the attached Exhibit A - "Exhibit Plat, Drawing NO. T4 91-4."

Is this a sublease of the entire Property described in the Prime Lease?

Yes ☒

No ☐

8. Commencement Date of Sublease:

December 3, 2001

9. End Date of Sublease:

June 30, 2006

10. Full Description of Sublessee's Intended Use of the Subleased Premises, as Set Forth in the Sublease Agreement (Attach Additional Sheet if Necessary):

Sublessee intends to operate Subleased Premises as an export grain elevator. Operations in support of Sublessee's operation at the Subleased Premises shall include originating, merchandizing, storing, drying, handling, cleaning, elevating, transporting and selling grain.

Does Sublessee propose to use any Hazardous Substances (as defined in the attached Addendum) on the Subleased Premises? Yes X No

Section 26 contains a list of such Hazardous Substances, including the description, proposed use of Hazardous Substances to be used, stored, handled or generated at or from the Subleased Premises. Sublessee agrees to maintain current Material Safety Data Sheets for all Hazardous Substances used on the Premises in a place known to and easily accessible to the Port and/or appropriate government agencies.

11. For this Consent to be Valid, all of the Following Must be True, and each Line must be Initialed by the Lessee and Sublessee:

a. No use of the Subleased Premises may be made unless such use is permitted in the Prime Lease.

b. The Sublessee has been given a full copy of the Prime Lease and all exhibits and amendments to the Prime Lease. Sublessee acknowledges that in the event of any conflict between the terms of the Sublease and the terms of the Prime Lease, the Prime Lease shall control.

c. A full and complete copy of the fully executed Sublease Agreement (the "Sublease") shall be made available to the Port upon execution by Sublessee and Lessee, but only that portion which applies to the Subleased Premises, excluding rent payable to Lessee by Sublessee.

d. Sublessee agrees to comply with the Rules and Regulations of the Executive Director of the Port (and/or the Executive Director's designee), as the same may change from time to time, and as they may apply to the Subleased Premises and to the use of other Port property by Sublessee.

e. Sublessee agrees to either sign the Port's form of Above Ground Storage Tank Agreement or remove the existing diesel fuel tank prior to beginning operation at the facility.

f. Additional terms and conditions of this Consent are included below. I have read, understood, and agreed to comply with all of the terms and conditions of this Consent.

Lessee's Initials:

Sublessee's Initials:

12. **Consent to Sublease.** The Port hereby consents to the sublease by Lessee to Sublessee of the Subleased Premises described in Paragraph 7 above on the terms and conditions contained in this Consent. By exercising its rights under the Sublease and this Consent to occupy the Subleased Premises, Sublessee, to the extent the Prime Lease relates to the Subleased Premises or to the exercise by Sublessee of any rights or obligations under the Sublease, agrees to comply with all of the terms and conditions of this Consent and the Prime Lease, as the same may be amended from time to time, and agrees to be jointly and severally liable with Lessee for the occupation and use of the Subleased Premises or the exercise of any rights granted to Sublessee under the Sublease or this Consent. Sublessee agrees to occupy and use the Subleased Premises and Common Areas, as defined in the Prime Lease, in a manner that is consistent with Lessee's performance of its obligations under the Prime Lease and to cooperate with Lessee in connection with such performance. Lessee further agrees that, prior to actual operation at the facility, Lessee will either remove the existing diesel fuel tank on the Premises, in compliance with all laws and will provide the Port with copies of documentation evidencing such proper removal, or enter into an Above Ground Storage Tank Agreement with the Port using the Port's then-current form of such agreement. Any violation of this Consent shall, at the Port's election, constitute a default under the Prime Lease. The Sublease shall in all ways be subject to the terms and conditions of the Prime Lease and in the event of termination of the Prime Lease, the Sublease and the Sublessee's right to occupy the Premises will terminate.

13. **Lessee to Remain Liable.** Lessee shall remain fully liable under the terms, covenants, and conditions of the Prime Lease as the same may be amended in the future. By permitting Sublessee to possess the Subleased Premises, Lessee agrees to be jointly and severally liable with Sublessee for any acts or omissions of Sublessee that occur in conjunction with Sublessee's occupation and use of the Subleased Premises and the exercise of any of the rights granted to Sublessee under the Sublease or this Consent, including, without limitation, any obligations contained in the attached Additional Provisions Addendum (the "Addendum") and the Above Ground Storage Tank Use Agreement between the Port and Sublessee if entered into.

14. **The Sublease; Other Warranties.** Lessee and Sublessee warrant that the Sublease constitutes the entire agreement between Lessee and Sublessee with respect to the Subleased Premises and there are no other oral or written agreements between them with respect to the Subleased Premises. No modification or amendment of the Sublease may be made without the prior written consent of the Port. In addition, Lessee and Sublessee warrant that all of the information contained in Paragraphs 1-11 of this Consent is true and complete.

15. **Insurance.** Lessee and Sublessee agree to carry insurance in the amounts and types not less than those required by the Prime Lease to cover all of Sublessee's activities on the Subleased Premises. Lessee and, upon the Port's request, Sublessee shall provide to the Port certificates evidencing the required insurance and naming the Port as an additional insured before this Consent will be effective.

16. **Sublessee's Remedies.** Neither this Consent, the Prime Lease, nor the Sublease gives the Sublessee any rights under the Prime Lease against the Port. Rights and remedies of the Sublessee, if any, will be solely against Lessee.

17. **No Amendment of Prime Lease.** Except for the environmental provisions contained herein, nothing in this Consent shall be construed to modify the Prime Lease in any way. Without limiting the generality of the foregoing, this Consent shall not be construed to imply an extension to the term of the Prime Lease, nor the Port's consent to the exercise of any option to renew which may be available to the Lessee under the Prime Lease, nor the waiver by the Port of any rights the Port may have to declare a default for any condition now or hereafter existing at the Subleased Premises, whether or not known to the Port. The Port's consent herein shall not be construed to be a consent to any other or future subleases or assignments, nor a waiver of any rights that the Port may have under the Prime Lease.

18. **Compliance with Laws.** In addition to Sublessee's obligations set forth in this Consent or in the Sublease, Sublessee shall manage and conduct all of its activities on or relating to the Subleased Premises: (i) in compliance with Environmental Law (as defined in the attached Addendum) and the environmental provisions of the Prime Lease; (ii) in a manner designed to protect the environment; and (iii) in cooperation with the Port in the Port's efforts to comply with Environmental Law. Sublessee shall be responsible for ascertaining which Environmental Law governs its activities on or relating to the Subleased Premises and shall be responsible for maintaining a current understanding of such Environmental Law throughout the Term of the Sublease. Sublessee shall manage and, as appropriate, secure the Subleased Premises and its occupation or use of the Subleased Premises so as to prevent any violation of Environmental Law by any party on or relating to the Subleased Premises. Sublessee agrees to abide by the original Best Management Practices (BMPs), as written, and participate in the Tenant Environmental Group to monitor and update the BMPs as appropriate.

19. **Notice to the Port.** Sublessee shall promptly notify the Port upon becoming aware of: (i) a violation or alleged violation of any Environmental Law related to the Subleased Premises or to Sublessee's occupation or use of the Subleased Premises or any environmental provision of this Consent to Sublease; (ii) any "Hazardous Substance Release" (defined in the Addendum), or threat of or reasonable suspicion of any of the same; (iii) any notice or communication from a governmental agency directed to Sublessee and relating to any Hazardous Substance Release or any violation or alleged violation of Environmental Law which relate to the Subleased Premises or to Sublessee's occupation or use of the Subleased Premises; and (iv) any Hazardous Substance Release or violation of Environmental Law discovered by Sublessee on property or in the air or water adjacent to the Subleased Premises. If notice must be given on the weekend or after 5:00 p.m. on any day, Sublessee shall notify the Port by calling the Port's emergency telephone number. That number currently is: (503) 240-2230.

20. **Indemnity.** Sublessee agrees to defend (using legal counsel acceptable to the Port), indemnify, and hold harmless the Port from and against, and reimburse the Port for, any and all actual or alleged claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines, Costs (as defined in the Prime Lease, Amendment No. 2), Environmental Costs (as defined in the Addendum) and/or penalties (collectively, "Sublessee Costs") which may be imposed upon or claimed against or incurred or suffered by the Port and which, in whole or in part, directly or indirectly, arise from or are in any way connected with any of the following, unless exclusively resulting from the Port's gross negligence or willful misconduct: (a) any act, omission or negligence of Sublessee resulting in damages or loss to a third party; (b) any use, occupation, management or control of the Subleased Premises by Sublessee, whether or not due to Sublessee's own act or omission and whether or not occurring on the Subleased Premises; (c) any condition created in or about the Subleased Premises by Sublessee, including any accident, injury or damage occurring on or about the Subleased Premises resulting from such condition; (d) any breach, violation or nonperformance of any of Sublessee's obligations under this Consent or the Sublease; or (e) any damage caused by Sublessee on or to the Subleased Premises. For purposes of this Section, "Sublessee" shall be deemed to include Sublessee and all of Sublessee's respective partners, officers, directors, agents, employees, invitees, licensees, tenants (if any) and/or contractors.

21. **Attorney Fees.** If a suit, action, or other proceeding of any nature whatsoever (including without limitation any administrative proceeding and any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Consent or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney fees at any hearing, at trial, on any appeal or any petition for review, together with all other fees, costs, and expenses actually incurred in connection therewith, in addition to all other amounts provided or allowed by law.

22. **The Port as Intended Third Party Beneficiary.** Sublessee agrees that the Port shall be an intended third party beneficiary of each of the covenants contained in the Sublease, including but not limited to, any rent, indemnity and insurance provisions.

23. **Notices.** Notices required or permitted to be given to Sublessee by the Port shall be given to the address set forth in Paragraph 6 above, which address Sublessee may change by written notice to the Port and Lessee.

24. **Authority.** The individuals signing and initialing this Consent on behalf of Sublessee and Lessee represent and warrant that they are authorized by Sublessee and Lessee, respectively, to do so.

Additional Provisions Addendum	
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

LESSEE
CARGILL, INCORPORATED

THE PORT
THE PORT OF PORTLAND

By: _____
Name: _____ (Date)
Title: _____

By: _____
Bill Wyatt, Executive Director (Date)

SUBLESSEE
CLD PACIFIC GRAIN, LLC

APPROVED AS TO LEGAL SUFFICIENCY FOR THE PORT

By: _____
Arnold Schaufler, General Manager (Date)

Counsel for the Port of Portland

ADDITIONAL PROVISIONS ADDENDUM

25. **Environmental Management And Compliance.** For the purposes of this Consent to Sublease, the following definitions shall apply:

25(a) **Hazardous Substance.** "Hazardous Substance" includes any and all substances defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any applicable Environmental Law. Hazardous Substance shall also include, but not be limited to, fuels, petroleum and petroleum-derived products.

25(b) **Environmental Cost.** "Environmental Cost" includes, but is not limited to, costs and damages arising from or relating to: (a) any actual or claimed violation of or noncompliance with any applicable Environmental Law; (b) claims for damages, response costs, any audit costs, fines, fees or other relief relating to matters addressed in any applicable Environmental Law; (c) injunctive relief relating to matters addressed in any applicable Environmental Law; (d) Hazardous Substance Releases; and (e) violations of any environmental provisions of the Prime Lease or this Sublease. Costs and damages as used in this Addendum shall include but not be limited to: (a) costs of evaluation, testing, analysis, cleanup, remediation, removal, disposal, monitoring and maintenance; (b) fees of attorneys, engineers, consultants, and experts, whether or not taxable as costs, incurred at, before or after trial, on appeal or petition for review, or in any bankruptcy or administrative proceedings; (c) lost revenue; and (d) diminution of value, loss, or restriction on use of property.

25(c) **Environmental Laws.** "Environmental Laws" means any and all federal, State of Oregon and local laws, regulations, rules, the terms of applicable permits, governmental codes and ordinances now or hereafter in effect, as the same may be amended from time to time, and applicable decisional law, which govern materials, substances, regulated wastes, emissions, pollutants, animals or plants, noise, or products and/or relate to the protection of health, natural resources, safety or the environment.

25(d) **Hazardous Substance Release.** "Hazardous Substance Release" shall be interpreted in the broadest sense to include the spilling, discharge, deposit, injection, dumping, emitting, releasing, leaking or placing of any Hazardous Substance into the air or into or on any land or waters, except as authorized by a then-current and valid permit issued under applicable Environmental Law.

26. **Hazardous Substances In Use at Premises.** Hazardous Substances used in the maintenance and operation of the grain elevator when the Facility is operating include:

- Acetylene
- Oxygen
- diesel fuel
- hydraulic oil
- gear oil
- Grain dust will be collected from various shipping and receiving operations.

T-4 0062.PDF



Transmittal

To: _____ From: Valerie Oster, LWG

Date: January 2, 2006

Re: Fully Executed LWG Tolling Agreement Copies to: _____

We are sending the following items:

Number of Copies	Description
1	Final executed tolling agreement with Lower Willamette Group

These are transmitted:

☐ For your information ☐ For action specified below ☐ For review and comment ☐ For your use ☒ As requested

Comments:



CARG000785

T-4 0063.PDF

TOLLING AGREEMENT

THIS AGREEMENT is made and is effective as of November 28, 2006 (the "Effective Date"), by and between Cargill, Incorporated ("Cargill"), and ARKEMA, Inc., Chevron U.S.A. Inc., City of Portland, ConocoPhillips Company, Gunderson LLC., NW Natural, Oregon Steel Mills, Inc., Port of Portland, Time Oil Co., Union Pacific Railroad Company, Siltronic Corporation, Kinder Morgan, BNSF Railway Company and Bayer CropScience, LP, including their predecessors, successors and affiliates insofar as claims addressed by this Agreement (the "LWG Parties"), hereinafter collectively "the Parties."

RECITALS

WHEREAS, the members of the Lower Willamette Group ("LWG") are currently collectively engaged in a remedial investigation and feasibility study of the Portland Harbor Superfund Site (the "Site"), which consists of the areal extent of contamination, and all suitable areas in proximity to the contamination necessary for implementation of response actions, at, from and to the Portland Harbor Superfund Site Assessment Area from approximately River Mile (RM) 3.5 to 9.2 and any other areas that may become part of the Site at any time during the term of this Agreement;

WHEREAS, the members of the LWG and Cargill desire this Agreement to apply to: (a) all properties described in the above paragraph; (b) the uplands portions of the Site that contain sources of contamination to the Willamette River in Portland, Multnomah County, Oregon; (c) the Study Area from approximately RM 2.0 to RM 11.0, and any other areas that may become part of the Site at any time during the term of this Agreement; and (d) any upland sites where members of the LWG or Cargill are individually engaged in remedial investigations and actions or early action removals in

the drainage basin of the Portland Harbor Superfund Site (collectively, the “Covered Sites”);

WHEREAS, the members of the LWG have incurred and/or will continue to incur response costs in the investigation and remediation of hazardous substance contamination at or from the Covered Sites;

WHEREAS, the members of the LWG alleged that they have causes of action against Cargill for recovery of response costs incurred or to be incurred at the Covered Sites, and for other relief with respect to the Covered Sites, pursuant to Sections 107(a) and 113(f) of CERCLA, 42 U.S.C. §§ 9607(a), 9613(f), ORS 465.257, and other provisions of State, federal and common law, and additionally allege claims under all applicable legal authority arising out of contamination by any hazardous substances of soil or groundwater on or under any real property or connected with any operations that are at any time alleged to be a source of contamination of sediments or the surface or ground water at or in proximity to the Willamette River (this includes all claims arising out of contamination by all hazardous substances present, even if only a portion of those substances are alleged to have had an impact in the Willamette River), including but not limited to claims arising out of early action removal actions in respect of the Portland Harbor Superfund Site (each such cause of action is referred to herein individually as the “Tolled Claim” and collectively as the “Tolled Claims”); and

WHEREAS, the Parties have raised such claims in anticipation of litigation and desire to preserve the above-described claims without filing or otherwise initiating litigation or a legal action, while pursuing the development of a comprehensive cost allocation alternative dispute resolution process;

NOW, THEREFORE, without admitting any fact, responsibility, fault or liability, or waiving any rights, claims, privileges or defenses in connection with the Covered Sites or Tolloed Claims and in consideration of the covenants contained herein and the mutual benefits to be derived therefrom, the members of the LWG and Cargill hereby agree as follows:

1. The above-stated Recitals, including without limitation the definitions included therein, are incorporated into this Agreement.

2. Cargill and the members of the LWG each agree to toll all applicable statutes of limitations and other periods of limitation concerning the Tolloed Claims for the period from the Effective Date until the termination of this Agreement pursuant to its terms. Any Party hereto may terminate this Agreement as to any other, or as to all other, Parties by providing at least thirty (30) days written notice to the other Party or Parties with respect to whom the Party providing notice is no longer willing to toll claims. Each Party reserves all legal and equitable claims and defenses it has against each other Party as of the Effective Date. The Parties do not intend this provision as a standstill provision, and this Agreement does not limit the ability of any Party to institute or to continue ongoing legal action against another Party, whether that legal action is to pursue Tolloed Claims or pursue any other claims.

3. Cargill and the members of the LWG agree that neither will commence litigation against the other regarding the Covered Sites without first giving thirty (30) days notice of its intent to file suit. The parties agree to discuss settlement of their respective claims during said thirty (30) day period, provided, however, that nothing herein shall require either party to enter into any settlement agreement.

4. A Party giving notice of Termination under this Agreement shall provide such notice in writing to the noticed Parties at the addresses set forth in Attachment A by certified mail, return receipt requested, and the thirty (30) day time period set forth in paragraph 1 above shall commence on the date of receipt as shown on the certified mail receipt.

5. This Agreement does not constitute any admission of law or fact on any issue by any Party, including any issue concerning liability, defenses or relief, or the operation of any statute of limitations or other time-based defense.

6. During the Tolling Period, each Party reserves all, and does not waive any, rights to assert, plead, or otherwise raise any defense based on the running of any applicable statute of limitations, or any defense based on laches or other legal or equitable principles concerning the timeliness of commencing a civil action, including the right to assert that no statute of limitations or repose applies, so long as any such argument or defense is not based upon the passage of time during the Tolling Period.

7. This Agreement contains the entire understanding between the Parties regarding the operation of any time-based requirement for the commencement of any litigation with respect to the Tolled Claims, including potential defenses, and no statement, promise or inducement made by any Party to this Agreement, or any agent of such Parties, that is not set forth in this Agreement shall be valid or binding. This Agreement may not be enlarged, modified or altered except in writing signed by the Parties and endorsed herein.

8. This Tolling Agreement in no way affects or relieves any Party of its responsibility to comply with any federal, state, or local law or regulation. Except as specifically

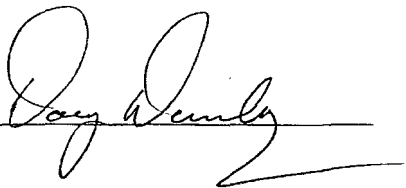
provided, nothing in this Agreement alters the rights and/or liabilities of the Parties with respect to any potential litigation.

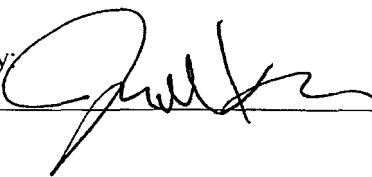
9. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective corporate predecessors, successors, affiliates and assigns with respect to Covered Sites, except that this Agreement shall not inure to the benefit of any non-affiliated third party which, after the Effective Date, acquires any of the Covered Sites or any interest in any of the Covered Sites.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11. Each person signing this Agreement represents and warrants that he or she has been duly authorized to enter into this Agreement by the company or entity on whose behalf it is indicated that the person is signing.

NOW, THEREFORE, the parties have executed this Tolling Agreement on the date first set out above.

By: 

By: 

Attachment A

Cheryl Koshuta
Department of Environmental Affairs, Port of Portland
121 NW Everett
Portland, OR 97204

Dean Marriott
Director, Bureau of Environmental Services, City of Portland
1120 SW Fifth Avenue, Suite 1000
Portland, OR 97204

Doug Loutzenhiser
Executive Vice President of Legacy Site Services
Arkema Inc.
900 First Avenue
King of Prussia, PA 19406

Garrick Jauregui
Project Manager, Superfund Property Management
Chevron U.S.A., Inc.
6001 Bollinger Canyon Road, Room K2088
San Ramon, CA 94583

Richard Gordon
Legal, Time Oil Co.
2737 West Commodore Way
Seattle, WA 98199

Robert Bylsma
Legal, Union Pacific Railroad Company
10031 Foothills Blvd., Suite 200
Roseville, CA 95747

Sandi Hart
Manager, Risk, Environment & Land
NW Natural
220 NW 2nd Avenue
Portland, OR 97209

Howard Werth
CFO, Gunderson LLC
4350 NW Front Avenue
Portland, OR 97210

Derrick Vallance
Legal, ConocoPhillips Company
600 N. Dairy Ashford
Houston, TX 77079

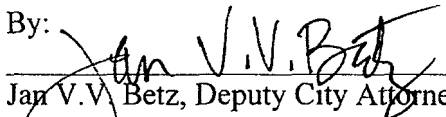
Mike Pettitt
Assistant Controller, Oregon Steel Mills, Inc.
14400 R. Rivergate Blvd
Portland, OR 97208

Siltronic Corporation
c/o Alan Gladstone, David Rothwell Earle & Xochihua, P.C.
1300 SW Fifth Avenue, Suite 1900
Portland, OR 97201

Kinder Morgan
c/o Mark Schneider, Perkins Coie LLP
1201 Third Avenue, 40th Floor
Seattle, WA 98101

BNSF Railway Company
c/o John Ashworth, Bullivant Houser Bailey
888 SW 5th Avenue, #300
Portland, OR 97204

Bayer CropScience, LP
c/o Jim Benedict, Cable Huston Benedict Haagensen & Lloyd, LLP
1001 SW 5th Avenue, Ste 2000
Portland, OR 97204

By: 
Jan V.V. Betz, Deputy City Attorney
City of Portland

Date: 12.15.06

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AMENDMENT NO. 2
BETWEEN
THE PORT OF PORTLAND
AND
CARGILL, INCORPORATED

PRD

THIS AMENDMENT NO 2. is entered into this 10th day of July 1991, by and between THE PORT OF PORTLAND (PORT) and CARGILL, INCORPORATED (Cargill), a Delaware corporation qualified to do business in the State of Oregon. PRD

W I T N E S S E T H

WHEREAS, the PORT and Cargill have entered into a Lease Agreement dated July 1, 1975 (Original Lease Agreement), and Supplemental Lease and Agreement dated January 1, 1980; and

WHEREAS, the parties desire to perform capital improvements to its facility; and

WHEREAS, Cargill wishes to participate in revenue sharing of dockage; and

WHEREAS, the parties have negotiated certain other terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

ARTICLE I - MINIMUM

Section 8.9 - Terminal Tariff and Dockage Charges shall be deleted in its entirety and the following paragraphs substituted:

Section 8.9. Terminal Tariff and Dockage Charges

(a) The Port and Cargill hereby agree and covenant that during the lease term and any extensions thereof, pursuant to Section 11.2 of the Original Agreement, the Port reserves the exclusive right to determine dockage rates published in the Port of Portland Terminal Tariff No. 6, supplements thereto and reissues thereof.

(b) The Port and Cargill further agree to share dockage revenue from January 1,

1991, through June 30, 1991, per Table A and annually thereafter beginning with July 1 of each year and ending with June 30 of each year, per Table B, as follows:

Table A

January 1, 1991 through June 30, 1991

<u>Annual Dockage Revenue</u>	<u>Port Share</u>	<u>Cargill Share</u>
0 - \$250,000	100% Port	0% Cargill
over \$250,000	50% Port	50% Cargill

Table B

July 1 through June 30

(each year beginning July 1, 1991)

<u>Annual Dockage Revenue</u>	<u>Port Share</u>	<u>Cargill Share</u>
0 - \$500,000	100% Port	0% Cargill
over \$500,000	50% Port	50% Cargill

Cargill's share of dockage revenue shall be considered as earned on the date of each vessel's departure from loading berth. The Port shall remit to Cargill not later than the 20th day of the month following the month in which the charges are collected, Cargill's share of dockage revenue. The remittance shall be made to: Cargill, Inc., P.O. Box 9300, Minneapolis, MN 55400.

(c) Cargill agrees to guarantee to the Port a minimum dockage revenue of \$400,000 per year, from July 1 through June 30, except that Cargill shall guarantee a minimum revenue of \$200,000 for the period January 1, 1991, through June 30, 1991. Cargill shall have the exclusive right to assess and collect wharfage, service and facility charges, storage and other charges which may be assessed by Cargill as a part of its integral operation of the Project. Any shortfall of the minimum guarantee shall be due and payable to the Port 30 days after the end of the Lease Year.

ARTICLE II - MODIFICATION OF PROJECT

Section 6.1 - Maintenance and Modification of Project by Cargill shall be amended by adding the following Section 6.1 (c) and (d):

(c) Cargill shall keep in good repair and maintain, at its sole cost, the rail track into its facility beginning at the Terminal Flour Switch, and shall pay the prorated portion of

the maintenance cost of the following items which portion shall be based on Cargill's Usage of the track as defined below: (1) the switch located at Point of Switch (PS) G-1, (3) the track from Point of Switch (PS) G-1 to PS Grain Lead; and (3) the switch at Point of Switch (PS) Grain Lead, all as shown on Exhibit F attached hereto. Nothing herein shall be construed to require Cargill to maintain any access road crossing. As used herein, the "access road crossing" shall mean only the crossing material under and to the sides of the track. Cargill shall remain responsible for maintenance of all track and track fasteners located on or within the access road crossing. "Usage," as used herein, shall be determined by the rail tonnage of cargo shipped and received during the previous calendar year. Cargill's Usage portion shall be that portion of the total Usage of the tracks that relates to Cargill's benefit, use, and or request, when compared to the total Usage by Cargill, the Port and Terminal Flour Mills, or their successors in interest. Cargill shall provide the Port with an annual written statement showing Cargill's rail tonnage. Cargill shall maintain records of rail deliveries and shipments showing usage of track by weight for a period of five years after delivery. Upon reasonable notice the Port and its agents shall have the right during regular business hours to inspect and examine Cargill's records of deliveries and shipments as required to verify the usage of tracks on and to the Premises. Any information obtained by the Port pursuant to such inspections shall be kept confidential to the extent permitted by law and shall only be used for the purpose of allocating maintenance responsibility as provided herein. If requested by Cargill, the Port shall provide verification of Port's calculation of allocation of maintenance responsibility.

As part of its maintenance responsibilities, Cargill shall pay all costs associated with derailments of railroad cars, engines, or equipment ordered, or made necessary at the request of Cargill, its agents or employees, said derailments occurring at any point on tracks from Point of Switch (PS) Grain Lead, except that Cargill will not be responsible for derailments of cars that occur during operations which are under the control of the railroad.

Prior to Cargill's assumption of maintenance responsibility for rail trackage and switches, Port and Cargill will perform a joint inspection of said equipment and tracks, each at its own expense, and the Port will make any necessary repairs thereto. Commencing on or about July 1, 1992, Cargill and the Port shall conduct biennial joint inspections relating only to the rail track which is jointly used by the parties. In the event Cargill exercises its options to renew, on or about July 1, 1997, July 1, 2002, and July 1, 2006, the Port and Cargill shall conduct a joint inspection of the entire Premises, including dock face and fendering system, building and improvements thereon. During each joint inspection, the parties shall develop a list of items which the parties agree, in good faith, that Cargill will repair pursuant to its maintenance obligations, including track maintenance and fendering

system maintenance, and a schedule of repairs which allows Cargill to work the subject repairs into its budget cycle and to complete such repairs prior to the expiration of the applicable term.

(d) The Premises shall be modified by capital improvements to the facility as described in Exhibit E attached hereto. The Port shall share in the total cost of such capital improvements, including permits and engineering fees, at 50 percent of the cost of such improvements, not to exceed \$850,000. Cargill shall submit to Port monthly a bill for 50 percent of the costs of improvements, with supporting documentation, which bill shall be due and payable by the Port within 30 days of receipt. At least thirty days prior to any construction Cargill shall submit to the Port final plans and specifications, site-use plan, and rendering thereof and shall not commence any construction until it has received the Port's written approval. All plans for construction, alteration, or changes shall be signed by a certified engineer. Should the Port fail to take action concerning plans and/or specifications submitted to it within forty-five days, said plans and/or specifications shall be deemed approved. All such improvements as described in Exhibit E shall be completed within two years of the signing of this lease.

No such work shall be undertaken until Cargill has procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations required with respect to the work. Procurement of such permits and authorizations shall be subsequent to Cargill's obtaining Port approval pursuant to Section 6.1(d). All work shall be performed in a good and workmanlike manner.

Thirty days after the completion of any work under this Section 6.1(d), Cargill shall deliver to the Port complete and fully detailed "AS-BUILT" drawings of the completed Improvements prepared by a certified engineer.

ARTICLE III - PREMISES

Article II, Section 1 of the Supplemental Lease and Agreement, dated January 1, 1980, shall be deleted in its entirety and the following shall be substituted:

Exhibits A-2, A-3, A-3(1) and A-3(2) are replaced with Exhibit F attached hereto. Exhibit F incorporates the entire facility and redefines Cargill's lease area to more accurately describe their entire project. Included in the new lease area are tracks that are solely Cargill's maintenance responsibility and several electrical buildings adjacent to the dock. Removed from this Exhibit is an area originally used for truck queuing. The Port agrees not to use the area between Cargill's lease area, the river and the fence in such a manner as to unreasonably interfere with Cargill's operation, including its truck line.

ARTICLE IV - SPECIAL COVENANTS

Section 8.12. Construction of Competing Grain Elevators shall be deleted in its entirety and the following shall be added:

Section 8.12. Dockage Sharing with Competing Grain Elevators

The Port agrees, during the term of this Lease Agreement and any extensions thereof, that it will not enter into more favorable terms with respect to dockage sharing with another grain facility except as follows: If such dockage sharing terms are entered into with another grain facility, the Port will amend this Lease Agreement so that Cargill's position is at least equal to that of the other grain facility, so long as such amendment does not prejudice the rights of holders of Bonds then outstanding. It is understood and agreed that this Section shall only apply to dockage revenue sharing and to no other terms and conditions, and shall not be construed to apply to Port actions, agreements, or terms granted or negotiated which relate to determinations of collectability of debt, payment terms on account, or other similar terms or conditions.

ARTICLE IV - INDEMNITY AND INSURANCE

Article VI, Section 6.4 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 6.4. General Indemnity. The Port shall not in any event be liable for any injury to any person or damage to any property occurring on or about the Premises, unless such injury or damage results from negligence, gross negligence, or willful acts of the Port. Cargill covenants and agrees to indemnify, save and hold harmless, the Port, its commissioners, directors, officers, agents and employees from and against all actual or potential liability claims, demands, damages, expenses, fees (including reasonable attorneys', accountants', and paralegal fees), fines, penalties, suits, proceedings, actions, and causes of action (collectively "Costs") which may be imposed upon or incurred by the Port due to the acts or omissions of any person or entity whatsoever (excluding negligence of the Port), and which: (1) arise from or are in any way connected with Cargill's use, occupation, management or control of the Premises whether or not due to Cargill's act or omission and whether or not occurring on the Premises; or (2) results from any breach, violation, or nonperformance by Cargill of any of its obligations under this Lease.

(a) In addition to the indemnity provided in Section 6.4 above, Cargill agrees to indemnify, save, and hold harmless the Port from and against all removal, remediation,

containment, and other Costs caused by, arising out of, or in connection with, the handling, storage, discharge, transportation, or disposal of hazardous or toxic wastes or substances, pollutants, oils, materials, contaminants, or regulated substances (collectively "Hazardous Substances"), as those terms are defined by federal, state, or local environmental law or regulation, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. §6901 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601, et. seq.); the Toxic Substances Control Act (15 U.S.C. §2601, et. seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. 3251, et. seq.); the Clean Water Act (33 U.S.C. §1251, et. seq.); the Clean Air Act (42 U.S.C. §7401 et. seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxics use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); treatment, storage, and disposal of hazardous waste and PCBs (ORS 266.005 et seq.); notice of environmental hazards (ORS 466.360 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS 466.605 et seq.); underground storage tanks (ORS 466.705 et seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules and ordinances (collectively "Environmental Law"), which Hazardous Substances are on the Premises as a result of Cargill's acts or Cargill's omissions (where Cargill has a duty to act), whether occurring prior to or during the term of this Lease. Such Costs shall include, but not be limited to: (1) claims of third parties, including governmental agencies, for damages, response costs, indolences or other relief; (2) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (3) the expense, including reasonable fees of attorneys, engineers, paralegals and experts, reporting the existence of said Hazardous Substances or contaminants to any agency of the State of Oregon or the United States as required by applicable laws or regulations; (4) any and all reasonable expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Cargill promptly after the Port incurs the obligation to pay such amounts. Such damages, costs, liabilities and expenses shall include such as are claimed to be owed by any regulating and administering agency. As used herein, the word "Premises" shall be deemed to include the soil and water table thereof.

(b) The Port shall notify Cargill within ten days of the receipt of written notice from any third party of any act, omission or occurrence with respect to which the Port intends to seek indemnification in accordance with this Amendment No. 2 and, if requested by Cargill, shall also supply to Cargill all records, data, contracts and documents reasonably related to such third party claim to enable Cargill to evaluate such claim for purposes hereof. If Cargill replies in writing to the Port within twenty days from the date of such notice that it will undertake the defense of the Port and will hold the Port harmless with respect to such claims, then no additional attorneys' fees incurred by the Port in its own defense shall be compensable as a claim entitled to indemnity, unless (1) Cargill has agreed in writing to pay such fees and expenses (2) Cargill shall have failed to assume the defense of such claim or has failed to employ counsel reasonably satisfactory to the Port, or (3) the named party in any action or proceeding relating to such claim (including any impleaded parties) include both Cargill and the Port and the Port has been advised by its counsel the Port has a conflicting interest from Cargill or that there may be one or more legal defenses available to the Port which are different from or additional to those available to Cargill. The Port will reasonably cooperate in providing information and testimony to assist in the defense of the matter, but all out-of-pocket costs thereof shall be a part of the indemnified amounts for which Cargill shall hold the Port harmless. Control of the defense of the claims shall be the right and responsibility in this case of Cargill, which shall have authority to contest, compromise or settle the matter in its sole discretion.

In the event Cargill replies in writing within the said twenty days that it accepts responsibility for the indemnified claim regarding the matter in question but does not desire to take an active role in the defense of said matter, than alternatively, Cargill may consent to the Port's selecting an attorney to defend the matter who is satisfactory to Cargill, such consent and such satisfaction with the selection of such attorney to be evidenced in writing. In such case, however, no matter will be settled or compromised without the written consent of Cargill; further, at any time Cargill may elect to assume the active control of the matter, including the replacement of the selected counsel by other counsel satisfactory solely to it, and thereafter may consent, settle, or compromise the case in its sole discretion.

If, on the other hand, Cargill replies to the Port within twenty days from the date of such notice, but denies its responsibility to indemnify and hold the Port harmless with respect to such claim, both parties shall attempt to agree upon a mutually satisfactory attorney to represent them and agree upon who shall control the defense of the claim and has the authority to approve any proposal, settlement or compromise. If no such agreement can be reached, or if Cargill does not reply to the Port within twenty days from the date of such notice each party may designate its own attorney, whose reasonable fees shall be compensable as an indemnified claim to the Port.

Whether or not any such agreement can be reached or Cargill does not reply, each party shall reasonably cooperate in providing information and testimony to assist the defense of the matter, and the costs thereof (including out-of-pocket expenses) shall be a part of the claims which shall be paid by Cargill under this Amendment No. 2. Any indemnification in this Agreement shall include an indemnification of the respective officer, director, employees, agents, shareholders and successors and assigns of the Port.

The foregoing indemnification and hold harmless provision are for the sole and exclusive benefit and protection of the Port and Cargill, and its respective commissioners, directors, officers, officials, agents and employees, and are not intended nor shall they be construed, to confer any rights on or liabilities to any person or persons other than the Port and Cargill and their respective commissioners, directors, officers, officials, agents and employees.

(c) Cargill shall keep the Premises together with any and all Improvements placed thereon continuously insured with an insurance underwriter(s) satisfactory to the Port. The policy(ies) shall be written on an all risk form including flood, earthquake and explosion in an amount equal to 90 percent of the new replacement value of the Improvements on the Premises.

Cargill shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Cargill and the Port, its commissioners, directors, officers, servants, and employees, insuring Cargill and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations of Cargill on or from the Premises with insurance of not less than \$5,000,000 combined single limit.

Cargill shall maintain in force Workers' Compensation insurance, including coverage for Employer's Liability and, if applicable, the Longshoremen's and Harbor Workers' Compensation Act.

All insurance shall name the Port, its commissioners, officers, and employees as additional insured with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by Cargill.

Cargill shall furnish to the Port a certificate(s) of insurance evidencing the date, amount, and type of insurance that has been procured pursuant to this Lease. All policies of insurance shall remain in full force during the term hereof and shall provide for not less than thirty days' written notice to the Port and Cargill before such policies may be revised, nonrenewed, or cancelled. Upon request, Cargill shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Lease.

Cargill may satisfy the requirement for insurance under this Article by

submitting a certificate of self-insurance stating: (1) the authority of the individual making the certificate to do so; (2) the categories of insurance under this Agreement for which Cargill is self-insured; (3) that the amount of the funds held in reserve for self-insurance equals or exceeds the coverage limits required under this Agreement; and (4) that Cargill will respond to covered claims.

The Port shall have the right to review the limits of insurance required herein at the end of each five-year interval of this Lease. In the event the Port determines that such limits should be increased or lowered, the Port will provide notice to Cargill of such determination and Cargill shall, if the limits are increased, modify its coverage to comply with the new limits and provide the Port with an updated certificate.

(d) The Port and Cargill agree that each forfeits any right of action that it may later acquire against the other of the parties to the Lease for loss or damage to its property, or to property in which it may have an interest, to the extent that such loss is covered by the provision of Cargill's property damage policy or policies, and arises out of or is connected with the leasing of the Premises.

ARTICLE V - HAZARDOUS SUBSTANCES, SPILLS AND RELEASES

Section 12.13 - Hazardous Substances, Spills and Releases shall be added to the Original Agreement as follows:

Section 12.13. Hazardous Substances, Spills and Releases. Cargill shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release or disposal of a Hazardous Substance, as defined in Section 6.2, on, under, or adjacent to the Premises or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to Cargill or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises.

ARTICLE VI - ENVIRONMENTAL AUDIT

Section 12.14 - Environmental Audit shall be added to the Original Agreement as follows:

Section 12.14. Environmental Audit. Not later than six months prior to the expiration of this Lease by time or other termination, Cargill shall conduct an environmental

audit of the Premises acceptable to the Port to determine if any environmental contamination exists. The Port shall have the right to approve the audit procedures and the company or individual conducting said audit and shall be given an original copy of the results. The costs of the audit shall be shared equally by the Port and Cargill. Cargill shall provide to the Port a supplemental update report as of the last day of the Lease Term. Cargill shall promptly remedy any contamination revealed by such audit, if each contamination was caused through an act of Cargill or an omission of Cargill when Cargill had a duty to act, in accordance with the then applicable regulations prior to the expiration of the Lease Term. Cargill, upon termination of the Lease for any reason other than expiration of time, shall conduct the environmental audit as required by this Section. The Port, if necessary, will grant Cargill a Permit of Entry for such purpose. In the event Cargill fails to promptly remedy the contamination which is Cargill's duty to remedy, the Port shall have the right to remedy such contamination and charge Cargill all such costs. Cargill agrees to pay to the Port such costs within thirty days after receipt of invoice from the Port, such right to be in addition to any other remedy available to the Port as provided herein, at law, or by equity.

If Cargill does not conduct said audit as required herein, the Port may, at its sole option, complete said audit and charge Cargill for one-half the cost. Until said audit and any remedial actions as required to restore the Premises to an acceptable condition are completed, Cargill shall not be released from any liability for such costs.

ARTICLE VII

Except as modified herein, the Original Agreement dated July 1, 1975, and Supplemental Lease and Agreement dated January 1, 1980, shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 this 10th day of July 1991.

CARGILL, INCORPORATED

By P. R. Daly
~~Russ Daly, Vice President~~

P.R. Daly
Senior Vice President
Commodity Marketing Div.

THE PORT OF PORTLAND

By Mike Thorne
Mike Thorne, Executive Director

By Darla Swensen
Darla Swensen, Assistant Secretary

APPROVED AS TO LEGAL
SUFFICIENCY

Dean Phillips

Dean Phillips, Assistant General Counsel

APPROVED BY COMMISSION ON:

7-10-91

EXHIBIT E
CAPITAL IMPROVEMENTS

1. Increase the grain flow rate to four steel tanks, the first two in each row, from the present rated capacity of 15,000 bushels per hour to 30,000 bushels per hour. The improvements will result in the ability to stow grain at a rate equal to that which can be received from inbound barges and railcars. This improvement allows the usage of the entire tank capacity. At present, the last 150,000 bushels of space in each tank is not cost efficient to fill.

The improvements will be accomplished by replacement of worn out trimming mechanisms and elimination of the present flow restrictions to the tanks. Augers will replace the cable system, and spouting to the tanks will be enlarged to accommodate full grain flow capacity.

The estimated cost is \$370,000.

2. Increase recovery from four tanks, the first two in each row, from the present rated 15,000 bushels per hour to 30,000 bushels per hour. Fifteen thousand bushels per hour is the rate recovery during free-flow or for the first two-thirds of the tank.

The improvements will permit access to grain at nearer the rate of needs of a loading vessel. It will be accomplished by the installation of enclosed conveyors feeding the house belt. Presently there are only side drawoffs which are gravity and shovel rig fed.

The estimated cost if \$1,330,000.

The total cost of the capital improvements is estimated to be \$1,700,000. The parties shall each contribute 50 percent to the cost of the improvements, provided that the Port's share shall not exceed \$850,000.

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COMMAND #029

	DATE	TIME	TO/FROM	MODE	MIN/SEC	PGS	STATUS
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CARGILL, INCORPORATED LAW DEPARTMENT FAX TRANSMISSION FORM

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General Counsel
& Secretary

Ronald L. Laumbach
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North America
General Counsel

Linda L. Cutler
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Glen M. Goldman
Debra L. Hovland
Jeffrey B. Johnson
Jay A. Kroese
Jon D. Lammers
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Ronald E. Hunter
Mark J. Isaacson
Joseph R. Liesch
Thomas W. MacLeod
Grace Murgis Musilek
LaRoya M. Osborn
David A. Robertson
Laura Hicks Witte

Karin M. Nelson
Christopher W. Putnam
Mark T. Quayle
Maria-Ines Raj
Randall J. Romsdahl
Debra Phil Stoss
Timothy A. Thomas
Tracy L. Weesell
Geri L. Williams

Writer's Direct Dial Number
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No. of Pages (incl. this one): 4

To: John Heninger
Port of Portland
Fax number: 503-731-7038

From: Geri L. Williams
Telephone: 612/742-6381 Fax: 612/742-4671

Date: February 11, 1998

If you do not receive all pages, please contact Char Lambert at 612/742-6279.

Comment:

John,

Along with this fax, I have sent to you, three (3) marked-up pages of the Amendment. Please note that the Berth 401 building should be a common use facility as it is not exclusively used by Cargill--Section 6 of the Amendment needs to be changed to reflect this. Throughout the Amendment, all references to Project need to be changed as that is no longer a defined term. I also included an arbitration clause for any future disputes we may have under the Lease or any of its amendments.

Also, if you could kindly send to me an executed copy of Amendment No. 2 for our files, that would be appreciated.

Regards,

Geri L. Williams

T-4 0071.PDF



December 29, 2003

Writer's Direct Line: (503) 944-7008
Writer's Fax Line: (503) 944-7042
Writer's Email Address: wyattb@portptld.com

Mr. Wayne Teddy
President, North American Grain & Oilseeds
Cargill Incorporated
15407 McGinty Road West
Wayzata, MN 55391-5624

Cargill Incorporated
Cargill Building
Minneapolis, Minnesota 55440

Mr. Mark Quayle
Senior Attorney
Cargill Incorporated
P.O. Box 5624
Minneapolis, MN 55440-5624

BY REGISTERED MAIL, POSTAGE PREPAID, EMAIL AND FACSIMILE

Re: Terms and Conditions for Lease Termination
Lease Agreement between the Port of Portland and Cargill, Incorporated
Terminal 4 Grain Facility - Port Agreement #75-057 ("Lease")

Gentlemen:

This letter will confirm the understanding between the Port of Portland ("Port") and Cargill, Incorporated ("Cargill") as to final matters to be addressed in connection with Cargill's termination of the above-referenced Lease ("Lease Termination"), and those matters that will survive the Lease Termination and Cargill's surrender of the Lease premises ("Premises") to the Port.

The following is a list of certain key events that have occurred to date in connection with Cargill's performance of termination obligations under the Lease ("Termination Obligations"):

1. By letter dated April 29, 2003, Cargill notified the Port of Cargill's intention to terminate the Lease effective June 20, 2003 pursuant to Section 11.1 of the Lease.
2. Through a series of communications and letters to Cargill (including letters dated May 23, 2003; June 20, 2003; November 14, 2003; November 20, 2003;

November 24, 2003; and December 24, 2003), the Port has identified its requirements regarding Cargill's implementation of its Lease Section 12.14 exit audit and remediation responsibilities, including (i) requesting that Cargill address DEQ's environmental concerns relating to the Premises and that Cargill incorporate those concerns in its exit audit; and (ii) notifying Cargill that to the extent DEQ required the Port to investigate and cleanup contamination that was covered under Cargill's Lease obligations, the Port would hold Cargill responsible and seek recovery and reimbursement.

3. On October 7, 2003, the Port proposed a settlement of certain obligations with respect to rent, minimum annual dockage rental, dock fender system repairs, roof repairs, and electrical repairs (collectively, "Settlement Matters"). Cargill accepted the Port's proposal by letter dated October 14, 2003, with the understanding that environmental issues would be resolved separately after Cargill had completed, and the Port had accepted, the exit audit of the Premises.
4. On November 20, 2003, the Port notified Cargill under the Lease of Cargill's failure to comply with the Lease regarding DEQ's environmental concerns with respect to the Premises. Cargill's response is dated December 22, 2003.
5. On December 5, 2003, the Port received Cargill's check in the amount of \$311,000 ("Partial Settlement") in payment of all Settlement Matters except for the cost of electrical repairs, with the further understanding that Cargill would pay the remaining portion of the settlement up to the amount of \$100,000 upon receipt of the Port's estimate for electrical repairs ("Remaining Settlement").
6. On December 4, 2003, the Port received the Environmental Site Assessment of the Premises prepared by ATC Associates Inc. dated December 4, 2003 ("Audit Report"). The Port responded with additional matters which it believes are required for compliance with Lease Section 12.14 by letter dated December 17, 2003. Cargill's detailed response supplementing its preliminary response letter of December 22, 2003 has not yet been received by the Port.
7. On December 15, 2003, the Port notified Cargill of non-compliance with the Lease with respect to the 1992 cleanup and closure of a water well as described in the Audit Report. Cargill's response is pending.
8. On December 24, 2003, the Port requested additional environmental information from Cargill regarding its activities on the leasehold and notified Cargill of an apparent failure relating to the regulatory status of the facility's stormwater management system.

The matters reflected in items 2, 4, 6, 7, and 8 above are matters Cargill has been notified of under the Lease relating to Cargill's environmental obligations under the Lease that are pending resolution ("Unresolved Environmental Matters").

Remaining Termination Obligations; Termination Date

The Lease Termination will be effective as of the later of December 31, 2003 ("Termination Date") or the date on which each of the following obligations and

conditions have been performed or satisfied by Cargill (collectively, "Remaining Termination Obligations"):

- Cargill shall have paid all taxes currently due and owing in connection with Cargill's use and occupancy of the Premises. Cargill acknowledges that Cargill is responsible for payment of all taxes associated with Cargill's use and occupancy of the Premises, including without limitation the payment of all real property taxes for the 2003-2004 tax year, and that all such obligations shall survive Lease Termination and be included in the Surviving Lease Obligations described below.
- Cargill represents and warrants that Cargill has not assigned or encumbered Cargill's interest under the Lease or any part thereof, and that no contracts for the furnishing of any labor or materials with respect to the improvements or alterations in or about the Premises have been entered into by Cargill (or its sublessees, agents, employees, or contractors) or are outstanding that have not been performed and satisfied. The foregoing representations and warranties under this paragraph shall remain true and correct as of the Termination Date.

Obligations Surviving Lease Termination

From and after the Termination Date, the Lease will be of no further force and effect, with the exception of the following obligations (collectively, the "Surviving Lease Obligations"):

1. Cargill's obligation to pay rent for the months of November and December, 2003 at the current Lease rate of \$16,000 per month upon presentation of an invoice from the Port but in no event later than January 16, 2004;
2. Cargill's obligation to pay the Remaining Settlement for electrical work upon presentation of an invoice from the Port but in no event later than January 16, 2004;
3. Cargill's obligation to pay all taxes associated with Cargill's use and occupancy of the Premises, including without limitation the payment of all real property taxes for the 2003-2004 tax year as provided above;
4. Any obligations of Cargill under the Lease arising prior to and unresolved to the satisfaction of both parties by the Termination Date;
5. Cargill's obligations with respect to Unresolved Environmental Matters; and
6. Those obligations and indemnifications that survive termination according to the Lease or by law.

Cargill hereby acknowledges and agrees that the Surviving Lease Obligations include without limitation Cargill's obligations under Sections 6.4 and 12.14 of the Lease.

Premises Safety and Security

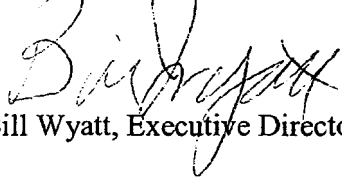
As of the Termination Date, the Port will take responsibility for safety planning at the Premises and will release Cargill from claims or damages arising from any errors contained in equipment safety notices currently posted within the Premises. As of the Termination Date, the Port also will place the Premises under the Port's insurance coverage, and will assume responsibility for security at the Premises.

Partial Settlement

The parties acknowledge and agree that the Port's acceptance of the Partial Settlement in no way constitutes a waiver of, or release of Cargill from, Cargill's performance of the Remaining Termination Obligations or the Surviving Lease Obligations.

Please indicate Cargill's acceptance of all terms and conditions stated in this letter by returning an original of this letter with the signature of Cargill's authorized representative where indicated below.

Very truly yours,



Bill Wyatt, Executive Director

AGREED AND ACCEPTED:

CARGILL, INCORPORATED

By: _____

Name: _____

Title: _____

Date: _____

cc: Sam Ruda
Robert Moulton
David Ashton
Juli Killgore
Eric Schwamberger
Gene Loffler (CLD Pacific Grain, LLC)
Arnie Schaufler (CLD Pacific Grain, LLC)

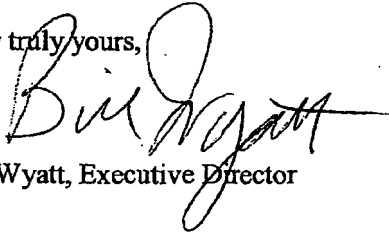
Cargill, Incorporated
December 29, 2003
Page 4

Partial Settlement

The parties acknowledge and agree that the Port's acceptance of the Partial Settlement in no way constitutes a waiver of, or release of Cargill from, Cargill's performance of the Remaining Termination Obligations or the Surviving Lease Obligations.

Please indicate Cargill's acceptance of all terms and conditions stated in this letter by returning an original of this letter with the signature of Cargill's authorized representative where indicated below.

Very truly yours,



Bill Wyatt, Executive Director

AGREED AND ACCEPTED:

CARGILL, INCORPORATED

By: 

Name: R. Wayne Teddy

Title: _____

Date: 12/30/03

cc: Sam Ruda
Robert Moulton
David Ashton
Juli Killgore
Eric Schwamberger
Gene Loffler (CLD Pacific Grain, LLC)
Arnie Schaufler (CLD Pacific Grain, LLC)

CARG000815

T-4 0072.PDF



June 10, 2003

Arnie Schaufler
CLD Pacific Grain LLC
222 Columbia, Suite 1133
Portland, OR 97201

RE: Termination of Cargill/CLD Pacific Grain Sublease for T-4 Facility

Dear Arnie:

As we have discussed and agreed, Cargill and CLD Pacific Grain have determined that the continued operation of the T-4 facility in Portland is uneconomical, and that it is in the best interests of both Cargill and CLD Pacific Grain to cease operations there.

As you know, Cargill leases the T-4 facility from the Port of Portland, and CLD Pacific Grain subleases T-4, along with other Cargill owned or leased facilities, under a lease Agreement dated December 3, 2001 (the "Cargill/CLD Lease".) Cargill has already provided the Port of Portland with a written termination notice in order to terminate the Lease and Agreement between Cargill and the Port of Portland relating to the T-4 effective June 20, 2003.

This will confirm that Cargill and CLD Pacific Grain have likewise agreed to a partial termination of the Cargill/CLD Lease with respect to the T-4 in order to remove this facility from coverage under the Cargill/CLD Lease. This partial termination will also be effective as of June 20, 2003. All other terms and conditions of the Cargill/CLD Lease shall remain in full force and effect.

Please confirm your agreement to the contents of this letter by signing below.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Augustine".

Andy Augustine
BU Controller

Agreed and Accepted:

A handwritten signature in black ink, appearing to read "Arnie Schaufler".

Arnie Schaufler
General Manager
CLD Pacific Grain LLC

T-4 0073.PDF



April 29, 2003

VIA REGISTERED MAIL

The Port of Portland
PO Box 3529
Portland, OR 97208

RE: Lease of Terminal 4 Grain Facility by the Port of Portland to Cargill, Incorporated pursuant to Lease and Agreement dated July 1, 1975; amended by Supplemental Lease and Agreement dated January 1, 1980, Amendment No. 2 dated July 10, 1991, Amendment No. 3 dated March 13, 1992, and Memorandum of Agreement dated May 4, 1998 (collectively, "Lease")

Ladies and Gentlemen:

This letter is to advise you that in the opinion of Cargill, Incorporated, the continual operation of the Project (as defined in the Lease) is uneconomical. Accordingly, Cargill, Incorporated hereby elects, pursuant to Section 11.1a(v) of the Lease, to terminate the Lease effective as of June 20, 2003.

As you are aware, the grain export business has been depressed. We see no hope for any improvement in the situation in the foreseeable future. As a result, it is uneconomical to continue our ability to operate the Terminal 4 grain facility.

It is our understanding that none of the Bonds (as defined in the Lease) are currently outstanding and, therefore, we have not addressed this letter to the bond trustee, and it is not necessary to make arrangements for redemption of the Bonds.

Andy Augustine
B.U. Controller
(952) 742-5469

Delivery Address:
15407 McGinty Road West
Wayzata, MN 55391-2399

Mail Address:
PO Box 9300
Minneapolis, MN
55440-9300

Facsimile:
(952) 742-4297

NO. 5828 P. 3

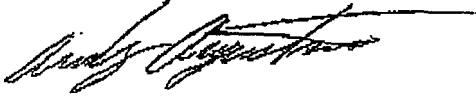
FEB. 26. 2004 2:12PM

CARG000819

Please feel free to contact me if you have any questions regarding this matter. In the meantime, we will begin preparing to turn the facility back over to the Port on this date.

Sincerely,

CARGILL, INCORPORATED.



Andy Augustine
B.U. Controller
303538

cc: Mark Quayle
Don Vogt

T-4 0074.PDF

Portland or
504.12.27

MEMORANDUM OF AGREEMENT BETWEEN
THE PORT OF PORTLAND AND CARGILL, INCORPORATED
REGARDING DEMOLITION OF CERTAIN OBSOLETE FACILITIES
AT TERMINAL 4

This Memorandum of Agreement ("Agreement") dated as of ~~March~~ ^{May} 4, 1998, is between the Port of Portland, a Port District of the State of Oregon (the "Port"), and Cargill, Incorporated., a Delaware Corporation ("Cargill").

RECITALS

A. The Port and Cargill are parties to a Lease and Agreement dated July 1, 1975, as amended by Supplemental Lease and Agreement dated January 1, 1980, Amendment No. 2 dated July 10, 1991, and Amendment No. 3 dated March 13, 1993, (as amended to date, the "Lease") pursuant to which Cargill leases from the Port certain real property and equipment to operate a grain facility at the Port's Marine Terminal No. 4 in Portland, Oregon (the "Terminal").

B. The Port is in the process of designing the dismantling and removal of Warehouses 3, 4, and 5 on Pier 1 of the Terminal (the "Pier 1 Dismantling Project"). The Pier 1 Dismantling Project is scheduled to begin in early 1998 and be completed approximately two years thereafter. The Pier 1 Dismantling Project is part of a phased program to remove obsolete and deteriorated structures on Pier 1.

C. Because portions of Cargill's grain facility and leased equipment are located in or on the Pier 1 warehouses to be dismantled in the Pier 1 Dismantling Project, it will be necessary to remove, relocate, replace, and/or provide new structural support for such portions of the grain facility and leased equipment. Such removal, relocation, replacement, and structural work is more particularly defined in Section 1 below as the "Project."

D. The parties are in dispute as to the responsibility for performance and costs of the Project (as defined in Section 1 below). The Port and Cargill have determined to allocate responsibility for performance and costs of the Project work as set forth in this Agreement in order to provide for administrative efficiencies and the expeditious completion of the Project.

AGREEMENT

Accordingly, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. DESCRIPTION OF PROJECT

The items described in this Section 1 constitute the "Project" for purposes of this Agreement:

1.1 Relocation of Warehouse 5 Mechanical Control Center

The Port will remove the mechanical control center located in Warehouse 5 and identified as the "MCC" on the attached Exhibit A (the "MCC"), including all equipment located therein, and relocate the MCC and equipment to a new building to be constructed by the Port (the "New

Berth 401 Building") at a location mutually agreed to by the parties, after which Warehouse 5 will be dismantled. Warehouse 5 will not be reconstructed. The New Berth 401 Building and land on which it is located will be added to the premises leased by Cargill under the Lease, for no additional rent. The MCC removal and relocation work will include the following elements: electrical engineering, design, permitting, and inspection of the replacement MCC; installation of the ductwork, raceways, and wiring to connect the MCC to Cargill's equipment on the dock and Cargill primary service ashore; replacement of the double-ended substation and primary/secondary switchgear for the relocated MCC; and relocation of the existing secondary motor control, associated secondary motor control equipment, and control and signal interfaces.

1.2 Reconfiguration of Berth 401

The Port will replace the existing longshore restroom, dock office and lunchroom currently located in Warehouse 5 with a new longshore restroom, dock office and lunchroom to be located in the New Berth 401 Building. The Port will provide new access to Berth 401 by constructing a vehicle access ramp to Berth 401 and a catwalk to the upstream Berth 401 dolphin. The Port also will provide temporary and permanent supports for the ship loader power track, conduit and duct work to house utilities to the dock, and make dock modifications necessary to provide a functional berth, including railings, bullrail, and electrical service to the capstans.

1.3 Relocation of Dry Valve Sprinkler System and Piping

1.3.1 Port Responsibility

The Port will relocate the Port's existing sprinkler system air compressor from Warehouse 3 to a new location in Warehouse 2, once Cargill has arranged for temporary compressed air service to its dry valve sprinkler system for Berth 401 equipment. After the Port's sprinkler system air compressor is moved to its new location in Warehouse 2, Cargill will no longer use this compressor. The Port will remove Cargill's existing dry valve sprinkler system located in Warehouse 5. The Port will provide a location for a Cargill-supplied sprinkler system air compressor in the New Berth 401 Building, construct piping for the sprinkler system air compressor from the New Berth 401 Building to the Berth 401 dock, and coordinate the hook-up of the system with Cargill.

1.3.2 Cargill Responsibility

Cargill will supply the sprinkler system air compressor to be located in the New Berth 401 Building and supply compressed air for the sprinkler system during relocation and construction.

1.4 River Bank Repair, Revetments, and Landscaping

The Port will perform all necessary river bank repair, revetments, and Willamette Greenway landscaping related to the removal of Warehouses 3, 4 and 5.

1.5 Utility Extension, Conduit, and Ductwork

The Port will perform all utility extensions, conduit work, and duct work related to removal of Warehouses 3, 4, and 5, except to the extent that the responsibility for such items is otherwise allocated in this Section 1.

1.6 Other Items Included in the Project

The Port will restore any damage to roadways jointly used by the Port and Cargill, or solely by Cargill, to their condition immediately prior to commencement of the Project.

2. ALLOCATION OF PROJECT COSTS

The costs of the Project will be allocated as follows:

2.1 MCC

Cargill and the Port will each be responsible for one-half of all costs related to the removal and relocation of the MCC as described in Section 1.1, except that the Port will be solely responsible for the cost of constructing the New Berth 401 Building.

2.2 Dry Sprinkler System

The Port will be solely responsible for the cost of all Project work identified in Section 1.3.1, and Cargill will be solely responsible for the cost of all Project work identified in Section 1.3.2.

2.3 Other Project Costs

The Port will be solely responsible for the cost of all other Project work not allocated pursuant to Sections 2.1 and 2.2 above.

2.4 Project Cost Increases Resulting from Upgrades

Notwithstanding the provisions of Sections 2.1, 2.2, and 2.3 above, in the event Cargill desires to upgrade any items that could be relocated without upgrading, Cargill will be solely responsible for the net difference between the estimated Project costs without using such upgraded items and the actual Project costs using such upgraded items.

3. PAYMENT OF PROJECT COSTS

The Port will initially pay all costs of the Project except those costs for which Cargill is responsible pursuant to Section 1.3.2. After completion of the Project, the Port will submit to Cargill an invoice for reimbursement for Cargill's share of Project costs pursuant to Section 2 together with such documentation as Cargill may reasonably request to enable Cargill to verify the amount of Project costs. Cargill will pay such invoice within sixty (60) days after receipt of the invoice and such verification documentation.

4. COORDINATION OF PROJECT WORK

The Port will use its reasonable efforts to minimize disruptions to Cargill's operations at the Terminal during the course of the Project. Cargill will cooperate with the Port and its contractors

to provide appropriate construction windows in advance of all construction activity and access to Cargill's leased premises and preferential use areas as necessary to perform the Project work. To facilitate work on the dock, Cargill will use its reasonable efforts to shift to a single loader operation during portions of the planned construction in accordance with a schedule agreed to by the parties.

5. CONSTRUCTION PROCESS

All elements of design, demolition, relocation, and installation associated with the Project will be included in a general design/build contract between the Port and an engineering design/contractor team selected pursuant to a Request for Proposal process. Cargill will review and comment on the proposal solicitation documents and participate in the proposal selection process.

6. AMENDMENT OF LEASE

Upon completion of the Project, the parties will amend the Lease to: (a) add the New Berth 401 Building and land on which it is located to Cargill's leased premises as part of the "Facility" and "Leased Land" for no additional rent; and (b) grant Cargill a license for the remaining Lease term, for no additional consideration, allowing Cargill to use and operate any equipment which has been installed for Cargill's use on Port property not leased by Cargill, either as part of the Project or projects pre-dating this Agreement (collectively, "Off-Premises Equipment"). Such license shall continue only so long as the buildings, wharves, and similar structures supporting the Off-Premises Equipment remain in a state of repair sufficient to support such equipment, and the Port shall not, by grant of such license, incur any obligations which the Port does not already have under the terms of the Lease to maintain or repair such supporting structures. The Lease amendment will include an exhibit showing such leased and licensed premises. The Lease amendment also will reflect that: (a) all improvements and equipment installed as part of the Project for Cargill's exclusive use will be considered modifications to the leased facility or replacements of leased equipment, as the case may be, pursuant to Sections 6.1(a) and 6.2 of the Lease, and Cargill will be responsible for all future maintenance, repair, and replacement of such items under the terms of Section 6.1(a) of the Lease; and (b) all improvements and equipment installed as part of the Project for the mutual use of the Port and Cargill will be considered common use facilities pursuant to Section 6.1(b) of the Lease, and the Port and Cargill will share maintenance and repair responsibility for these items in accordance with Sections 6.1(b) and 8.8 of the Lease. To facilitate interpretation of such maintenance, repair, and replacement obligations, the Lease amendment will include a new exhibit identifying the common use facilities as contemplated in Section 6.1(b) of the Lease, and also identifying Cargill's exclusive use facilities.

7. MISCELLANEOUS

7.1 Entire Agreement

The recitals and Exhibit A to this Agreement are hereby incorporated by reference in and made a part of this Agreement. This Agreement, including the recitals and Exhibit A hereto, contains the entire agreement between the parties relating to the parties' respective

responsibilities for the performance and costs of the Project work described in Section 1, and supersedes all prior and contemporaneous agreements, written or oral. This Agreement shall govern only the parties' respective responsibilities for the performance and costs of the Project work described in Section 1. The parties' responsibilities for performance and costs of all other maintenance, repairs, equipment replacement, and other work at the Terminal shall be determined in accordance with the terms of the Lease.

7.2 Governing Law

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Oregon (without reference to the principles of conflict of laws thereof).

7.3 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

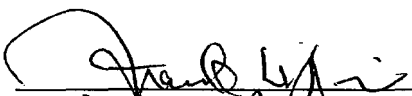
7.4 Mediation

In the event of a dispute concerning any term or provision of this Agreement which cannot be resolved by the parties, the parties agree to submit the dispute to non-binding mediation prior to seeking any other remedy. Such mediation shall be conducted in Portland, Oregon, by a mediator mutually agreed to by the Port and Cargill. If the Port and Cargill cannot agree on a mediator, then any Multnomah County Circuit Court Judge may select one for them upon petition by either party. Costs of the mediation shall be shared equally by the parties, but each party shall be responsible for its own attorney fees incurred in connection with the mediation.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

CARGILL INCORPORATED

THE PORT OF PORTLAND

By: 
Title: Dr. Vice President
Dean Jensen

By: 
Mike Thorne, Executive Director

APPROVED AS TO LEGAL
SUFFICIENCY

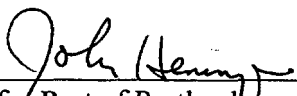
By: 
Counsel for Port of Portland

EXHIBIT PLAT
CARGILL INCORPORATED

Donald L. Gravel
SUPERVISOR - SURVEY/DRAFTING SERVICES

T4 91-4 1/1 (EP)

NO.	DATE	BY	REVISIONS	CK'D	APP'V'D	NO.	DATE	BY			

T-4 0075.PDF

FIRST AMENDMENT TO
MEMORANDUM OF AGREEMENT BETWEEN
THE PORT OF PORTLAND AND CARGILL, INCORPORATED
REGARDING DEMOLITION OF CERTAIN OBSOLETE FACILITIES
AT TERMINAL 4

This First Amendment to Memorandum of Agreement ("Amendment") dated September 15, 1998, is entered into between the Port of Portland, a Port District of the State of Oregon (the "Port"), and Cargill, Incorporated, a Delaware Corporation ("Cargill").

RECITALS

A. The Port and Cargill are parties to a Lease and Agreement dated July 1, 1975, as amended by Supplemental Lease and Agreement dated January 1, 1980, Amendment No. 2 dated July 10, 1991, and Amendment No. 3 dated March 13, 1993, (as amended to date, the "Lease") pursuant to which Cargill leases from the Port certain real property and equipment to operate a grain facility at the Port's Marine Terminal No. 4 in Portland, Oregon (the "Terminal").

B. Pursuant to a Memorandum of Agreement (Port Agreement No. 98-113) between the Port and Cargill dated as of May 4, 1998 (the "Agreement"), the Port and Cargill agreed to the responsibility for performance and costs of certain removal, relocation, replacement, and structural work defined in the Agreement as the "Project" in connection with the dismantling and removal of Warehouses 3, 4, and 5 on Pier 1 of the Terminal. Except as otherwise defined in this Amendment, all capitalized terms used in this Amendment shall have the same meanings as in the Agreement.

C. In the Agreement, the parties agreed that the Port would be responsible for performing the work necessary to remove and relocate the MCC to the New Berth 401 Building, and that Cargill would be responsible for one-half of the costs of such work (other than the cost of constructing the New Berth 401 Building, which would be the sole responsibility of the Port). The parties have now determined that substantial cost savings could be achieved to the parties' mutual benefit by having Cargill perform the work associated with the removal and relocation of the MCC, as more particularly described in this Amendment. Accordingly, the parties desire to amend the Agreement to provide for the performance of this work by Cargill.

AMENDMENT

NOW THEREFORE, in consideration of the promises and covenants contained in this Amendment, the parties agree that the Agreement shall be amended as follows.

1. RELOCATION OF WAREHOUSE 5 MECHANICAL CONTROL CENTER

Section 1.1 of the Agreement shall be amended in its entirety to read as follows:

"1.1 Relocation of Warehouse 5 Mechanical Control Center

Cargill will remove the mechanical control center located in Warehouse 5 and identified as the "MCC" on the attached Exhibit A (the "MCC"), including all equipment located therein, and relocate the MCC and equipment to a new building to be constructed by the Port (the "New Berth 401 Building") at a location mutually agreed to by the parties, after which Warehouse 5 will be dismantled. Warehouse 5 will not be reconstructed. The New Berth 401 Building and land on which it is located will be added to the premises leased by Cargill under the Lease, for no additional rent. The exact scope of the work to be performed by Cargill under this Section 1.1 is attached as Exhibit B (such work being

referred to as the "Cargill Work"). Final design of the electrical system is not included in the Cargill Work, and will be completed by the Port's consultants. Any deletions or modifications of work items described on Exhibit B shall require the written consent of the Port and Cargill, and any resulting savings in overall Project costs shall be shared equally by the parties. "

The Exhibit A referred to above that was attached to the Agreement remains unchanged, and therefore is not attached to this Amendment. The Exhibit B referred to above is attached to this Amendment.

2. ALLOCATION OF PROJECT COSTS

The allocation of responsibility for costs of the Project remains unchanged as stated in Section 2 of the Agreement, except as provided in this Section. The attached Exhibit C contains a preliminary allocation of cost responsibilities and cost credits for individual Project work items related to removal and relocation of the MCC, based on estimates from the Port's contractor for the Project work, and sets forth the Port's maximum cost responsibility for these items. The parties have agreed that the first two Project work items identified on Exhibit C (all required dock, yard, and ramp lighting, and high voltage power feed from the existing vault to the new MCC) are part of the Cargill Work, but the costs of these two items shall be allocated 100% to the Port.

3. PAYMENT OF PROJECT COSTS

Section 3 of the Agreement shall be amended in its entirety to read as follows:

"3. PAYMENT OF PROJECT COSTS

Cargill will pay all of the costs of the work for which Cargill is responsible pursuant to Section 1.3.2 of this Agreement, and initially pay all the costs of the Cargill Work. The Port will pay all other Project costs for which the Port is responsible under the terms of this Agreement. After completion of the Project, Cargill will submit to the Port an invoice for reimbursement of the portion of the Cargill Work costs allocated to the Port under this Agreement, together with such documentation as the Port may reasonably request to enable the Port to verify the costs of the Cargill Work. The Port will pay such invoice within sixty (60) days after receipt of the invoice and such verification documentation; provided that the Port shall be entitled to deduct as credits against the total amount shown due on such invoice one-half of all costs identified in Exhibit C as Port-provided work items, and the Port shall provide Cargill all such documentation as Cargill may reasonably request to enable Cargill to verify the costs of such work items."

4. COORDINATION OF CARGILL WORK

Cargill shall complete the Cargill Work in accordance with the construction time schedule included in the project scope documents identified in Exhibit B, as such time schedule may be modified from time to time with the mutual written consent of the Port and Cargill. In the event that Cargill is unable or unwilling to complete any portion of the Cargill Work in accordance with such time schedule, the Port may at its option perform such work and obtain reimbursement from Cargill for Cargill's share of the costs in accordance with Section 2 of the Agreement, and the provisions of Section 3 of the Agreement as they were in effect immediately prior to this Amendment. If Cargill fails to complete any of the Cargill Work in accordance with the time schedule, and the cause of such delay is within Cargill's reasonable control, Cargill shall be responsible for paying any resulting increase in the total Project costs (any such cost increases being referred to as "Delay Costs"). The Port shall be entitled to deduct any Delay Costs from amounts owed to Cargill pursuant to Section 3 of this Amendment.

5. CONSTRUCTION PROCESS

Section 5 of the Agreement shall be amended in its entirety to read as follows:

"5. CONSTRUCTION PROCESS

All elements of design, demolition, relocation, and installation associated with the Project (other than the Cargill Work) will be included in a general design/build contract between the Port and an engineering design/contractor team selected pursuant to a Request for Proposal process. Cargill will review and comment on the proposal solicitation documents and participate in the proposal selection process."

6. EFFECT OF AMENDMENT ON AGREEMENT

Except as expressly provided in this Amendment, all of the terms and conditions of the Agreement shall remain in full force in effect.

7. EFFECTIVE DATE OF AMENDMENT

The effective date of this Amendment is September 15, 1998.

"LESSEE"
CARGILL, INC.

By: [Signature]

Title: Chief Engineer

"PORT"
THE PORT OF PORTLAND

By: [Signature]

Mike Thorne, Executive Director

APPROVED AS TO LEGAL
SUFFICIENCY FOR THE PORT

By: [Signature]

Counsel for Port of Portland

APPROVED BY COMMISSION ON:

~~8-13-98~~ 9-10-98

Exhibit B

Cargill Responsibilities:

- Cargill will complete the control design in coordination with the Port's Electrical Engineering Consultant
- Cargill will complete all electrical work, with the exception of the MCC building electrical services, which will be provided by the Port's contractor. The scope of the anticipated electrical work is further defined in the preliminary design drawings T4 98-501 , sheets E-1 through E-8, specifications, and project scope documents prepared by URS Greiner dated March 1998, a complete copy of which has been provided to Cargill by the Port
- Cargill, or its electrical contractor, will be responsible for obtaining necessary building permits from the City of Portland.
- Cargill will assure that all work that is not performed by Cargill staff will be competitively bid and subject to prevailing wage rates.
- Cargill will provide as-built drawings for all work Cargill performs as part of the Project.
- Cargill will work with the Port and its contractor(s) to meet the construction schedule as identified in the above-referenced project scope documents, unless such a schedule is jointly modified by all parties.

Port Responsibilities:

- The Port will contract with URS Greiner (through Spantec) to complete the final electrical design for the Project, including the elements that Cargill will construct.
- The Port will be responsible for providing electrical service to the MCC building.
- The Port will be responsible for providing on-site design and construction coordination.
- The Port will be provide supplemental electrical inspection services for completed work.

Exhibit C

Cargill-provided Work Item	Total Estimated cost: ¹	Port Share of the estimated project costs	Maximum Port Cost ²
All Required dock, yard, and ramp Lighting	\$20,250.00	100%	\$20,250.00
High Voltage Power Feed from the existing Vault to the new MCC	\$93,790.00	100%	\$93,790.00
High Voltage Power feed from MCC to Dock	\$198,080.00	50%	\$99,040.00
Transformers, switchgear, and panels for the new MCC	\$149,932.00	50%	\$74,966.00
Motor Control Center	\$14,500.00	50%	\$7,250.00
New Programable Logic Control to replace the existing controls in the MCC building and removal of the existing control system	\$150,000.00	50%	\$75,000.00
Maximum Payable to Cargill			\$370,296.00

Port of Portland will receive Credits against the above work items for the following work:

Port Provided Work item	Credit not to Exceed ³	Cargill Share	Maximum Credit Not to Exceed: ²
MCC Building Electrical Service	\$16,700.00	50%	\$8,350.00
URS Engineering Services for final Design	\$57,412.00	50%	\$28,706.00
Spantec GMP fee @ 6% on Engineering & MCC building electrical	\$4,446.00	50%	\$2,223.00
Maximum Credits to Port not to exceed:			\$39,279.00

Notes:

1. Estimates based on Spantec GMP estimate dated 6-11/98 except PLC, which was Cargill, verbal estimate 7-8/98
2. These items are "Not to Exceed" maximum amounts and all savings realized by either party will be shared according to the cost sharing formula.
3. Estimates based on Spantec revised GMP estimate dated 7-10/98

T-4 0076.PDF

CARGILL
NORTH
AMERICAN
GRAIN

1750 N.W. Naito Parkway
Suite 103
Portland, OR 97209
503/478-1125
Fax: 503/248-1079

CORRECTED COPY

VIA REGISTERED MAIL

June 26, 2000

Mr. Mike Thorne, Executive Director
Port of Portland
121 NW Everett
Portland, OR 97209

Dear Mr. Thorne:

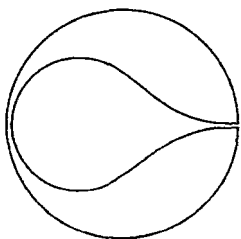
This letter will serve as Cargill's official notification to the Port of Portland that Cargill Incorporated hereby exercises its option to renew the lease agreement for the Portland, Oregon Terminal 4 Grain Elevator for a period of five years commencing July 1, 2001.

Cargill Incorporated



Tommie L. Williams
PNW Sector Manager

Cc: Bob Hrdlicka, General Manager Marine Operations, Port of Portland
Frank Sims, President, Ag Producer Services, Cargill Inc.
Wayne Teddy, Business Unit Leader, North American Grain &
Oilseeds, Cargill Inc.
Don Vogt, Commercial Manager, Ag Producer Services, Cargill Inc.
Mark Quayle, Law Department, Cargill Inc.



CARG000835

T-4 0077.PDF

PORTLAND, OR
504.12

AMENDMENT NO. 3
BETWEEN
THE PORT OF PORTLAND
AND
CARGILL, INCORPORATED

THIS AMENDMENT NO. 3 is entered into this 13th day of March, 1992, by and between THE PORT OF PORTLAND (PORT), a municipal corporation of the State of Oregon, and CARGILL, INCORPORATED (CARGILL) a Delaware corporation qualified to do business in Oregon.

W I T N E S S E T H

WHEREAS the PORT and CARGILL have entered into a Lease Agreement dated July 1, 1975, (Original Agreement); a Supplemental Lease and Agreement dated January 1, 1980, (Supplement); and an Amendment No. 2 dated July 10, 1991; and

WHEREAS, the PORT and CARGILL wish to amend the Original Agreement, the Supplement and Amendment No. 2 allowing CARGILL to bill ships arriving at Berth 401 directly for dockage pursuant to the PORT'S Tariff No. 6 and to set out when CARGILL will remit payment of the PORT's portion of the dockage; and

WHEREAS, the trustee has no objection to the terms of this amendment;

NOW THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

ARTICLE I

Section 8.9 - Terminal Tariff and Dockage Charges as amended by Amendment No. 2 shall be amended by deleting Section 8.9(a) in its entirety and replacing it with the following:

(a) The PORT and CARGILL hereby agree and covenant that during the lease term and any extensions thereof, pursuant to Section 11.2 of the Original Agreement, the PORT reserves the exclusive right to determine dockage rates published in the Port of Portland Terminal Tariff No. 6 (Tariff), supplements thereto and reissues thereof. Nevertheless, CARGILL has the right, subject to Section 8.8 of the Original Agreement to schedule ships' arrival and departure at Berth 401, quote dockage rates for lay status using the Tariff and bill the ships directly for all applicable dockage charges in conformity with the Tariff. CARGILL will remit the PORT's portion of all dockage charges, as set out in Amendment No. 2, not later than the 12th day of the month following the ship's departure.

C063
CG10
—

3/13/92
Encl. for 3/20/92 Mr

CARG000837

ARTICLE II

This Amendment No. 3 is effective April 1, 1992, and will continue through the Term of the Original Agreement and any extensions thereof.

ARTICLE III

Except as expressly modified herein, the Original Agreement, the Supplement and the Amendment No. 2 remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 this 13th day of March, 1992.

CARGILL, INCORPORATED

by Frank B. Sims
Frank Sims Vice President
Cargill Grain Div.

PORT OF PORTLAND

by Mike Thorne
Mike Thorne
Executive Director

BOND TRUSTEE

by Cheryl Nelson
Cheryl Nelson
Trust Officer
U.S. Bancorp

Approved as to legal sufficiency

by Paul C. Elsner
Paul C. Elsner
Assistant General Counsel
Port of Portland

T-4 0079.PDF

LINDSAY, NAHSTOLL, HART, NEIL & WEIGLER

ATTORNEYS AT LAW

THE CARRIAGE HOUSE

1331 S. W. BROADWAY

PORTLAND, OREGON 97201

TELEPHONE (503) 226-1191

DENNIS LINDSAY
R. W. NAHSTOLL
ALLAN HART
CARL R. NEIL
JERARD S. WEIGLER
ROBERT C. SHOEMAKER, JR.
RICHARD Wm. DAVIS
JONATHAN A. ATER
ROBERT B. CONKLIN
JAMES H. BEAN
CAROL A. HEWITT
ROBERT E. BABCOCK
W. W. KIRTLEY
DANIEL H. SHERRITT
GLEN MCCLENDON
VALERIE D. FISHER
ROBERT W. PALMER
IVAN LEWIS GOLD
THOMAS E. McDERMOTT
JAMES N. GARDNER
MICHAEL E. HAGLUND
LINDA TRIPLETT
STEVEN K. BLACKHURST
REX E. H. ARMSTRONG
DOUGLAS D. SMITH
KRISTENA A. LAMAR
FRANK V. LANGEFITT, III
WILLIAM C. CAMPBELL
RONALD L. SAXTON

DONALD G. KRAUSE, RETIRED
GUNTHER F. KRAUSE 1895-1967
CARMIE R. DAFOR 1920-1975
CABLE ADDRESS: "CARRIAGE"

March 21, 1980

Mr. Marion Siedow
The Port of Portland
P. O. Box 3529
Portland, Oregon 97208

Re: Cargill, Incorporated

Dear Mr. Siedow:

On condition that the Port agrees to Cargill's proposed Supplemental Lease, Cargill hereby grants to the Port the right to use at no charge to the Port, for purposes of open storage of cargo, approximately 4.25 acres of land owned by Cargill, provided that Cargill shall continue to have the right to use the property for turning trucks, and provided further that all rights of the Port to use the property shall terminate when such use interferes with Cargill's use of said premises. The 4.25 acres which is the subject of this agreement is more particularly described as Parcel II on Exhibit A-3(1) to the Supplemental Lease.

If this letter is acceptable to you, please sign one copy and return it to me.

Very truly yours,

Carol A. Hewitt

Carol A. Hewitt

CAH:a

ACCEPTED:
THE PORT OF PORTLAND

By *[Signature]* VICE PRESIDENT

Date: 4/24/80

APPROVED BY COMMISSION

ON 9-13 1978

ACCEPTED:
CARGILL, INCORPORATED

By *[Signature]*

Melvin H. Midden, Division Vice President

Date: April 17, 1980

APPROVED AS TO FORM
of Counsel for The Port of Portland

Order for 5-9-80

3-21-80

CO-63 ✓

CARG000840

T-4 0080.PDF

SUPPLEMENTAL LEASE
and
AGREEMENT
between
THE PORT OF PORTLAND
and
CARGILL INCORPORATED

January 1, 1980

encl 5-7-80

1-1-80

pg 63

CARG000842

ARTICLE I

The Lease and Agreement between the Port of Portland and Cargill Incorporated dated June 26, 1975 (the "Lease") is hereby amended and supplemented as set forth in this Agreement.

ARTICLE II

Sec. 1. Exhibit A-3 to the Lease is hereby replaced by Exhibits A-3(1) and A-3(2), which are attached hereto and incorporated herein by reference. These exhibits differ from Exhibit A-3 to the Lease in that they show the location of a truck inspection station and a common use roadway on property which is Leased Land and Common Use Land, respectively, within the Lease.

Sec. 2. Exhibit C to the Lease is hereby replaced by Exhibit C-(1), attached hereto and incorporated herein by reference. Exhibit C-(1) differs from Exhibit C in that it shows the location of:

- (a) The truck inspection station referred to above which is operated by Cargill Incorporated ("Cargill") on land owned by the Port of Portland ("the Port");
- (b) Two concrete block electrical distribution centers located near House 2 and House 5, respectively, which are operated by Cargill on Port property;
- (c) A bull pen, denominated "gearlocker", at the

Northeast corner of House 2, Pier 1, which is operated by Cargill on Port property;

(c) Two former inspection buildings which have been demolished; and

(d) The extension of the common user roadway described by meets and bounds on Exhibit A-3(2).

ARTICLE III

Sec. 1. Section 11.1(a) of the Lease is hereby amended to provide as follows:

"(a) The Lessee shall have options to cancel or terminate this Lease and Agreement during the Lease Term prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Ordinance), if any of the following (i) through (v) shall have occurred and shall have options to cancel or terminate this Lease and Agreement during any extensions of the Lease Term as provided in Section 11.2 hereof, if any of the following (i) through (v) shall have occurred:

"(i) The events described in Section 7.1 shall have occurred and Lessee elects not to repair or rebuild.

"(ii) The events described in Section 7.3 shall have occurred and that all or substantially

all of the project shall have been taken.

"(iii) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment, or order of any court of administrative body (whether state or federal) entered after the contest thereof by the Lessee in good faith, this Lease and Agreement shall have become void or unenforceable or impossible of performance or been declared to be unlawful.

"(iv) The Project or a material portion thereof is adjudged by a court of competent jurisdiction to be a public nuisance and/or operation of the Project or a material portion thereof is permanently enjoined, and such decision has become final, or, if appealed, affirmed upon such appeal and the decision upon such appeal has become final.

"(v) In the sole opinion of Lessee, expressed in writing to the Lessor and Trustee, the continued operation of the Project by Lessee is uneconomical."

Sec. 2. Section 11.1(c) of the Lease is hereby amended to provide as follows:

"(c) To exercise the option granted in Section 11.1(a), the Lessee shall, within ninety (90) days following the occurrence of a condition set forth in clauses (i) through (v) of Section 11.1(a), give written notice of such exercise to the Lessor and to the Trustee specifying therein the date of termination or cancellation, which shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is given. The Lessee shall also make arrangements satisfactory to the Trustee for the giving of notice of redemption of the Bonds in accordance with the provisions of the Bond Ordinance. In the event the Lessee elects to exercise such options, the Lessee may direct the Trustee to pay into the Bond Fund any Net Proceeds of insurance or condemnation award which the Trustee may then hold."

ARTICLE IV

Sec. 1. Section 8.8 of the Lease is hereby amended to add the following at the end of such section:

"Lessor agrees to use its best efforts to continue to make available for Cargill's use throughout the Lease Term the mooring dolphin at Berth No. 401, which dolphin is located on submerged lands adjacent to land owned by Schnitzer Investment Corporation. In the event that such dolphin becomes unavailable for Cargill's use at

any time during the Lease Term, the Port agrees to use its best efforts to provide a suitable alternative facility for Cargill."

ARTICLE V

Except as hereinabove modified, all terms and provisions of the Lease shall remain in full force and effect as provided therein.

CARGILL INCORPORATED

By *Malvin H. Mustler*
Malvin H. Mustler, Division Vice President

By *Rooney W. Gibson*
Rooney W. Gibson, Assistant Secretary

APPROVED BY:

Trustee

THE PORT OF PORTLAND

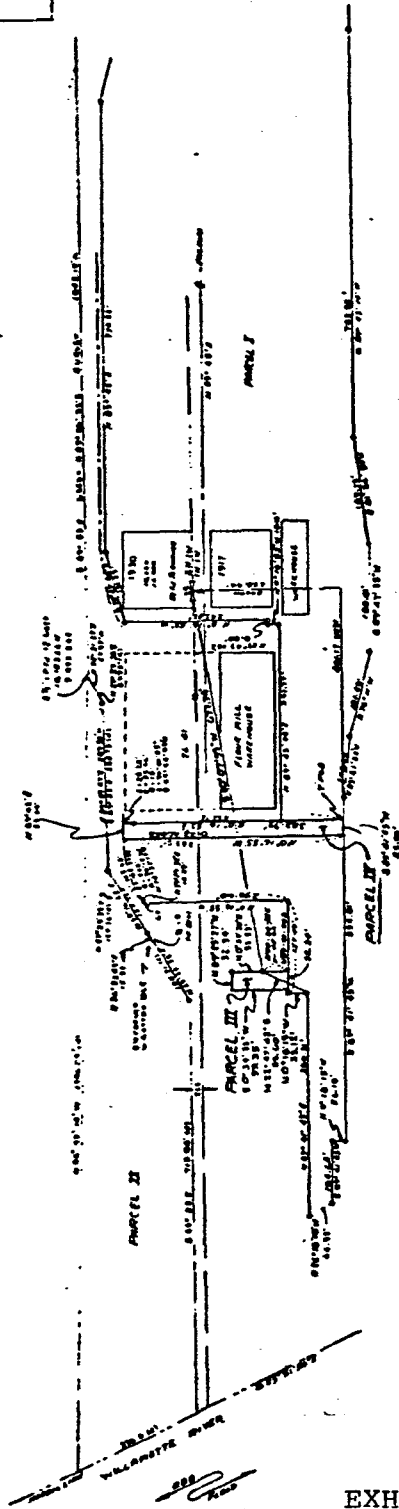
By *W. C. Underwood*
W. C. Underwood, Vice President

By *W. C. Underwood*
W. C. Underwood, Asst. Secretary

APPROVED AS TO FORM
Deley C. Port
of Counsel for The Port of Portland

APPROVED BY COMMISSION
ON 9-13 1978

T-4 0081.PDF



NOTE:
FOR PARCEL I SEE DRAWING
T-4 79-5

PARCEL III
A PARCEL OF LAND IN SECTION 5, T.1N., R.1W.,
W.M., MULTNOMAH COUNTY, OREGON, DESCRIBED
AS FOLLOWS:

BEGINNING AT A 90° IRON ROD WHICH BEARS
S. 80° 07' 55" W. 67.74 FEET MORE OR LESS TO THE NORTH 1/4 COR-
NER OF SAID SECTION 5, THENCE S. 89° 17' 17" E. 13.15
FEET TO A 1/4" IRON ROD, THENCE S. 89° 17' 17" E.
31.34 FEET TO THE OUTSIDE FACE OF A COLUMBIA LINE
ON THE EAST SIDE OF DOCK HOUSE 7, THENCE
S. 89° 17' 17" E. 93.37 FEET ALONG SAID COLUMBIA
LINE TO THE EAST CORNER OF SAID DOCK HOUSE, THENCE
N. 89° 17' 17" E. 46.42 FEET TO THE POINT OF
BEGINNING, CONTAINING 3104.13 SQ. FEET.

PARCEL IV
A PARCEL OF LAND IN SECTION 5, T.1N., R.1W.,
W.M., MULTNOMAH COUNTY, OREGON, DESCRIBED
AS FOLLOWS:

BEGINNING AT A 90° IRON ROD WHICH BEARS
S. 80° 07' 55" W. 67.74 FEET MORE OR LESS TO THE NORTH 1/4 COR-
NER OF SAID SECTION 5, THENCE S. 89° 17' 17" E. 13.15
FEET TO A 1/4" IRON ROD, THENCE S. 89° 17' 17" E.
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LINE TO THE EAST CORNER OF SAID DOCK HOUSE, THENCE
N. 89° 17' 17" E. 46.42 FEET TO THE POINT OF
BEGINNING, CONTAINING 3104.13 SQ. FEET.

EXHIBIT A-3(2)

THE PORT OF PORTLAND 		PROJECT MANAGER 	REGISTERED PROFESSIONAL LAND SURVEYOR STATE OF OREGON LICENSE NO. 11210	S. CONWELL S. CONWELL 1921 1922	TERMINAL NO 4 EXHIBIT PLAT A-3(2) CARGILL GRAIN ELEVATOR JOINT ROADWAY - TRUCK SAMPLING SHED 14 173 A-3(2)
--------------------------	--	---------------------	---	--	---

Same as A-3 of June, 1921

T-4 0083.PDF

Received 10/19/76
From [unclear]

PERMIT

This permit made and entered into between the Port of Portland, a municipal corporation of the State of Oregon, and Cargill, Incorporated, a Delaware corporation;

W I T N E S S E T H:

In consideration of the mutual covenants hereinafter stated, the parties hereto agree as follows:

1. The Port hereby grants to Cargill a permit to occupy and use, subject to all of the terms and conditions hereinafter stated, the premises identified on the attached Exhibit "A", located next to Warehouse No. 7, Terminal 4 area, Portland, Oregon, and approximating .04 acre.

2. The premises may be occupied and used by Cargill for a truck sampling shed approximately 53 feet long and 32 feet wide to be used for the inspection of grain.

3. This permit shall become effective October 1, 1976, and terminate September 30, 1977, and shall be subject to annual renewal upon agreement of the parties.

overlaid

Encl. for 12-20-79

4. This permit may be terminated by either party, at any time, upon six months written notice to the other of intention to terminate and in the event of such termination Cargill shall remove all property and if not so removed the Port may remove the same at the termination date at the expense of Cargill.

5. Cargill shall hold the Port harmless from any and all liability for personal injuries, property damage, or for loss of life or property resulting from or in any way connected with, the condition or use of the premises covered by this permit, or any means of ingress thereto or egress therefrom.

6. Cargill shall pay all taxes, licenses or charges of any kind related to the use granted on this permit and shall observe and obey all laws, ordinances, regulations and rules of the Port, state, county and municipal governments.

7. Cargill shall not assign or transfer its rights herein or delegate any duties or obligations without the prior written consent of the Port. All terms contained herein shall be binding upon and shall inure to the benefit of the legal representatives, successors and assigns of the Port and Cargill.

8. In the event of any action, suit or proceeding brought to enforce any provision of this permit, or for failure to observe any of the obligations of this permit, the losing party agrees to pay such sum as the court may adjudge reasonable as attorneys' fees to be allowed in such suit, action or proceeding and in the event of an appeal, such fees as may be designated by the appellate court.

IN WITNESS WHEREOF, the parties hereto have executed this agreement this _____ day of _____, 1976.

CARGILL, INCORPORATED

THE PORT OF PORTLAND

By _____

By _____

Department

Title

DS65K

APPROVED AS TO FORM

Bill H. [Signature]
of Counsel for The Port of Portland

LOADED TRUCKS

NEW OFFICE

TRUCK SAMPLE SHED

SHIPPING GALLERY BENTS

TOWER

HOUSE #7

EXISTING WADEN

T-4 0085.PDF

DIV.	<i>WMS</i>
EV. LE.	<i>EL</i>
LAY.	<i>EL</i>
TAX.	<i>MS</i>
COMPT.	<i>RL</i>
ENG.	<i>RL</i>
FIN.	<i>RL</i>
TRAFFIC	
INS.	<i>BGC</i>
PLG.	<i>RL</i>
<i>pwm</i>	

LEASE
AND
AGREEMENT

BETWEEN

THE PORT OF PORTLAND
AND
CARGILL INCORPORATED

16

June 26, 1975

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LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT, made and entered into this 1st day of July, 1975, by and between the Port of Portland (herein called "Lessor"), a municipal corporation of the State of Oregon, and Cargill Incorporated (herein called "Lessee"), a Delaware corporation qualified to do business in the State of Oregon;

W I T N E S S E T H:

WHEREAS, the Lessor is desirous of continuing the operation of that certain grain elevator and storage bins situated and located at the Port's Terminal No. 4; and

WHEREAS, the condition of the elevator, dock structure and support facilities require renovation and improvement for its continued use as a modern public grain elevator; and

WHEREAS, the Lessor in the interest of promoting the flow of maritime commerce through the Portland harbor has determined that it is in the best interests of the public to acquire, construct and/or reconstruct a modern public grain elevator as more specifically hereinafter set forth; and

WHEREAS, the Lessor has determined that the cost of such acquisition, construction and/or reconstruction should be financed through sale of revenue bonds to be issued by the Lessor under its corporate name; and

WHEREAS, Cargill Incorporated under the terms of an Agreement dated October 8, 1954, has operated the grain elevator located at the Port's Terminal No. 4 for many years; and

WHEREAS, the Lessor has determined that the experience and competent organization of Cargill Incorporated permits Cargill Incorporated to operate the grain elevator in the most economically sound and feasible manner, and the Lessor recognizes that the Lessee possesses the necessary and requisite financial stability and experience in the operation of such grain elevator to warrant that the facility should be leased to it for a term of years;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions

"Act" means Chapter 777 and Chapter 778 of the Oregon Revised Statutes, as amended.

"Authorized Lessor Representative" means such person at the time designated by written certificate furnished to the Lessee and the Trustee containing the specimen signature of such person and signed on behalf of the Lessor by its President or Secretary or Assistant Secretary, to act in behalf of the Lessor. Such certificate shall designate an alternate or alternates.

"Authorized Lessee Representative" means such person at the time designated by written certificate furnished to the Lessor and the Trustee containing the specimen signature of such person and signed on behalf of the Lessee by its President or Secretary or Assistant Secretary, to act in behalf of the Lessee. Such certificate shall designate an alternate or alternates.

"Berth" means the lineal space along the wharf or dock for the purpose of mooring vessels, including but not limited to any mooring dolphins, fender piling, dock surface and supporting piling and bents from the dock face to the line of any houses or sheds located on said dock, and other ancillary or contiguous structures facilitating or contributing to the integrity of the mooring space thus provided.

"Bonds" means the revenue bonds of the Lessor issued and to be issued pursuant to the Bond Ordinance for the purpose of financing the costs of acquisition, construction and/or reconstruction of the Project and shall include the Series A Bonds and any additional Bonds issued to complete the Project or to acquire and construct additions, extensions and improvements to the Project. The "Series A Bonds" means the Port of Portland Public Grain Elevator Revenue Bonds, Series A (Cargill Incorporated Grain Terminal Project) identified as such in Section 202 of the Bond Ordinance.

"Bond Fund" means the Bond Fund created in Section 501 of the Bond Ordinance.

"Bond Ordinance" means Ordinance No. 202, including amendments and supplements thereto, of the Port of Portland providing for the issuance of the Bonds thereunder.

"Completion Date" means the date of completion of the acquisition, construction and/or reconstruction of the Project, as that date shall be certified as provided in Section 4.5 hereof.

"Construction Fund" means the Construction Fund created in Section 602 of the Bond Ordinance.

"Construction Period" means the period between the beginning of construction and/or reconstruction or the date on which Bonds are first delivered to the purchasers thereof (whichever is earlier) and the Completion Date.

"Engineer" means a qualified engineer or engineering firm who or which may be a full time employee of the Lessee.

"Existing Agreement" means that certain Agreement dated October 8, 1954 between the City of Portland, Oregon acting by and through its The Commission of Public Docks whose interests were assumed by the Lessor on January 1, 1971 and Kerr Gifford & Co., Inc., such Agreement being assigned to Lessee on October 31, 1954.

"Facility" means the grain elevator, structures, fixtures, docks, wharves and facilities known as the Port's Terminal No. 4 presently operated by Cargill Incorporated under a lease dated October 8, 1954 by and between Kerr Gifford & Co., Inc. and the Port of Portland, subsequently assigned to Cargill Incorporated, and which is to be improved, renovated and/or reconstructed on the Leased Land, (other than the Leased Equipment), and all other improvements on the Leased Land, as there may at any time exist, all of which constitute a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended.

"Guarantee Agreement" means the Guarantee Agreement by and between the Lessee and the Trustee whereby the Lessee guarantees payment of principal of, premium, if any, and interest on the Bonds.

"Independent Engineer" means a qualified engineer or engineering firm appointed by the Lessor with the approval of the Lessee and acceptable to

the Trustee and who or which is not a full time employee of either the Lessor or the Lessee.

"Lease and Agreement" means this Lease and Agreement and any amendments, changes, or modifications hereto.

"Lease Term" means the duration of the leasehold estate created in this Lease and Agreement as specified in Section 5.1 hereof.

"Leased Equipment" means (i) those items of machinery, equipment and related personal property, more particularly described in Exhibit B attached hereto with all substitutions therefor, (ii) such other items of machinery and equipment, including any structure essential to such an item, which Lessee advises Lessor in writing prior to the Completion Date is necessary or desirable in Lessee's judgment in connection with the Project, and as shall be approved in writing by the Lessor, and (iii) any item of machinery, equipment and related property acquired, installed and constructed on or adjacent to the Leased Land pursuant to the provisions of Section 6.2(a) and 7.1 hereof, but not including Lessee's own machinery and equipment installed under the provisions of Section 6.1 and 9.6 hereof or any replacements thereof; provided, that such items in (i) to (iii) above are, or are substitutions for, items which were financed from the proceeds of the Bonds or the proceeds or any payment by the Lessee pursuant to Section 4.6 hereof.

"Leased Land" means the real estate and interests therein shown and described in Exhibit A attached hereto which by this reference is incorporated herein and any site improvements thereon, together with all additions thereto and substitutions therefor and together with all rights-of-way, acquisitions, easements, tenements, hereditaments and appurtenances, rights, privileges and immunities thereunto belonging or pertaining.

"Lessee" means Cargill Incorporated, a Delaware corporation, authorized to do business in the State, and its successors and assigns, and any surviving, resulting or transferee entity as provided in Section 8.3 hereof.

"Lessor" means The Port of Portland, a municipal corporation of the State of Oregon and any successor to its duties and functions.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees, costs, and any Extraordinary fee of the Trustee) incurred in the collection of such gross proceeds.

"Permitted Encumbrances" means, as of any particular time, (i) the Bond Ordinance and this Lease and Agreement, (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that an Engineer certifies will not interfere with or impair the operations being conducted at the Project, (iii) mechanics', materialmen's, warehousemen's, carriers' and other similar liens to the extent permitted in Section 6.1 hereof, (iv) easements and other rights permitted to be granted by the Lessee pursuant to the provisions of Section 8.5 hereof, and (v) such minor defects, irregularities, encumbrances, easements, rights-of-way, and clouds on title as normally exist with respect to properties similar in character to the Project and as do not materially impair the property affected thereby for the purpose for which it is being leased to the Lessee.

"Project" means the (i) Leased Land, (ii) Facility and (iii) Leased Equipment, as they may at any time exist.

"State" means the State of Oregon.

"Trust Account" means the account mentioned in Section 2.1(d) to be established in a bank acceptable to Lessor and Lessee.

"Trustee" means the Trustee appointed by the Bond Ordinance to administer, among other things, the special trust fund created by that ordinance for the payment of principal, interest and redemption premium, if any, on the Bonds.

ARTICLE II

Representations and Covenants

Section 2.1. Representations and Covenants by the Lessor. The Lessor makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Lessor is a municipal corporation of the State of Oregon. Under the provisions of the Act, the Lessor has the power to enter into the transactions contemplated by this Lease and Agreement and to carry out its obligations hereunder. The Lessor has taken all action necessary to enter into this Lease and Agreement.

(b) The Lessor has a good and valid fee title in and to the Leased Land, subject to Permitted Encumbrances, and the Lessor shall construct and/or reconstruct, or to cause the acquisition, construction and/or reconstruction of, the Facility and the Leased Equipment on the Leased Land, all as set forth in Exhibit "A" and lease the Project to the Lessee. The Lessor agrees to cooperate with the Lessee in connection with the acquisition, construction and/or reconstruction of the Facility and Leased Equipment and in the procurement from the appropriate State, County, municipal and other authorities and corporations, of connection and discharge

arrangements for the supply of water, gas, electricity, telephone and other utilities and sewage and industrial waste disposal for the operation of the Project.

(c) To finance the cost of the Project the Lessor agrees to issue Bonds, agreeable in all respects to Lessee, in an amount sufficient to finance the acquisition, construction and/or reconstruction and completion of the Facility and Leased Equipment and which will mature, bear interest, be redeemable and have the other terms and provisions as set forth in the Bond Ordinance, pursuant to which the Lessor's interest in this Lease and Agreement and certain revenues and receipts derived by the Lessor from the leasing of the Project will be pledged to the Trustee as security for payment of the principal of and interest and premium, if any, on the Bonds.

(d) The Lessor agrees to contribute the sum of Four Hundred Two Thousand, One Hundred Eighty-Two Dollars and Thirty-Five Cents (\$402,182.35) in cash toward the cost of the Project. Said contribution will be deposited in the Trust Account described below, provided that detailed engineering for the new shiploading portion of the Project has been finished and that contracts for the construction of same have been awarded:

(i) Trust Account. When the requirements of (d) above have been met, a Trust Account will be established by the Lessor in a bank acceptable to both Lessor and Lessee (hereinafter referred to as the "Trust Account").

(ii) Payments into the Trust Account. The Lessor shall deposit or cause to be deposited in the Trust Account the sum mentioned

in (d) above. The proceeds of the Trust Account shall be withdrawn from the Trust Account by the Lessor and paid to the Lessee, from time to time, upon the filing of a certificate by the Lessee with the Lessor verifying the completion of the detailed engineering required by (d) above and in exact proportion to the percentage completion of the new shiploading portion of the Project in increments of not less than 25% of total completion.

(iii) During the period of time in which the funds mentioned above are in the Trust Account, the same may be invested by the Lessor in accordance with the provisions of Section 4.8 of the Lease and the income therefrom shall inure to the benefit of the Lessor.

(iv) Any funds remaining in the Trust Account, except income therefrom as reserved to the Lessor in subsection (iii) above, shall be disbursed to the Lessee upon the filing by the Lessee of a certificate verifying total completion of the new shiploading portion of the Project.

(v) In the event that the new shiploading portion of the Project is not fully completed by January 1, 1977, all funds then remaining in the Trust Account shall revert to the Lessor.

(e) Approval of this Lease and Agreement, if required, has been or will be secured from the Federal Maritime Commission by Lessor before this Lease and Agreement becomes effective.

Section 2.2. Representations and Covenants by the Lessee. The Lessee makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Lessee is a Delaware corporation in good standing under the laws of the State, has power to enter into this Lease and Agreement

and by proper action has duly authorized the execution and delivery of this Lease and Agreement.

(b) The Lessee agrees to use the Project, including any additions or extensions thereof, from the Completion Date to the expiration or sooner termination of the Lease Term, or any extensions thereof, as a public agricultural products (in natural and processed forms) facility to be employed in receiving and storing dry agricultural products from any person, firm or corporation and releasing the same to any person, firm or corporation within or without the United States of America. The Lessee agrees to operate the Project from the Completion Date to the expiration or sooner termination of the Lease Term or any extensions thereof as provided in Section 11.2 hereof, as a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended and in conformance with development and performance standards in existence and as more specifically described in Exhibit "D".

(c) The execution and delivery of this Lease and Agreement and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under the Lessee's articles of incorporation or any bond, debenture, note or other evidence of indebtedness or any contract, loan agreement or lease to which the Lessee is a party.

(d) The Lessee represents that there are no actions or proceedings pending against the Lessee or to its knowledge threatened against it or any of its subsidiaries before any court or administrative agency which might result in any financially materially adverse change in the extent of its business so as to impair its ability to perform its obligations under this

Lease; that the Lessee has filed all Federal and State income tax returns which it is required to file, and has paid all taxes as shown on such returns to the extent that such taxes have become due and payable; that the Lessee is not a party to any contract or agreement which might materially affect its business property or financial condition and which is not reflected on the balance sheet of the Lessee.

ARTICLE III

Demising Clauses

Section 3.1. Demise of the Leased Land, Facility and Leased Equipment.

The Lessor leases and demises to the Lessee, and the Lessee leases from the Lessor, the Project in accordance with the provisions of this Lease and Agreement.

ARTICLE IV

Commencement and Completion of the Project

Issuance of the Bonds

Section 4.1. Agreement to Acquire, Construct and/or Reconstruct the Facility and Install the Leased Equipment on the Leased Land. Subject to the provisions of Section 4.6 hereof, the Lessor and the Lessee, respectively, agree as follows:

(a) The Lessor will cause the Facility to be acquired, constructed and/or reconstructed on the Leased Land substantially in accordance with the plans and specifications prepared by the Lessee and approved by the Lessor, including any and all supplements, amendments, changes and

additions thereto approved by the Lessee and the Lessor from time to time prior to Completion Date.

(b) The Lessor agrees to cause the acquisition, installation and construction of the Leased Equipment as promptly as practicable after specification by the Lessee of the items to be installed and the installation schedule desired by the Lessee.

(c) The Lessee will act as the agent of the Lessor in connection with the acquisition, construction and/or reconstruction of the Facility and Leased Equipment and shall acquire all necessary permits and licenses in the name of the Lessor, when appropriate, in connection therewith.

(d) To the extent to which the entire Leased Land is not devoted to the Facility, the Leased Land may be used by the Lessee for other purposes provided, however, such other purposes do not affect the character of the Project as a public grain elevator within the meaning of Section 103 (c)(4)(D) of the Internal Revenue Code of 1954, as amended.

Section 4.2. Agreement to Issue Bonds; Application of Bond Proceeds.

In order to provide funds for payment of the costs of acquisition and construction of the Project, the Lessor agrees that pursuant to the Bond Ordinance it will sell in one or more series and cause to be delivered to the purchasers Bonds (including additional bonds to complete the Project if the proceeds of the Series A Bonds are insufficient therefor) in an amount sufficient to finance the acquisition, construction and/or reconstruction and completion of the Project and it will thereupon (i) deposit in the Bond Fund a sum equal to the accrued interest and premium, if any, on the Bonds paid by the purchasers of such Bonds, and (ii) deposit in the

Construction Fund the balance of the proceeds received from the sale of the bonds. It is understood and agreed that the amount, interest rate or rates, terms and other provisions of the Bonds shall be subject to the written approval of the Lessee prior to the issuance of any Bonds and that the Lessor will not issue any Bonds without such approval.

Upon written request of the Lessee, the Lessor may issue and sell notes in anticipation of the issuance of the Series A Bonds, all in the manner provided in the Act.

Provided, however, in the event the Lessee elects to construct the Project with its own funds and Bonds are not issued by the Lessor, all provisions of the Lease inconsistent with such election shall be null and void to that extent except with respect to obligation of Lessor under Section 2.1(d), and all provisions of the Lease shall be deemed amended mutatis mutandi.

Section 4.3. Disbursements from the Construction Fund. As provided in the Bond Ordinance, the Trustee is to use the moneys in the Construction Fund for the following purposes (but, subject to the provisions of Section 4.8 hereof, for no other purposes):

(a) Payment of the fees for recording the Lease and Agreement, and the fees and expenses in connection with any actions or proceedings that the Lessee may deem desirable to bring in order to perfect or protect the title of the Lessor to the Leased Land.

(b) Except with respect to those items to be maintained, provided or furnished by the Lessor as provided in Section 8.7 hereof and except as to funds under 2.1(d), payment to the Lessee and the Lessor, as the case

may be, of such amounts, if any, as shall be necessary to reimburse the Lessee and the Lessor in full for all advances and payments made by them or either of them or for their accounts at any time prior to or after the delivery of the Bonds for the expenditures made for the purposes authorized in Subsections (a) through (k) of this Section. Provided, that Lessor shall not be entitled to reimbursement from the Construction Fund for any expenditures for which it has been reimbursed previously by Lessee or which it has agreed to pay under the terms of this Lease.

(c) Payment of the initial or acceptance fee of the Trustee, all legal and accounting fees and expenses and printing and engraving costs incurred and all other expenses in connection with the authorization, sale and issuance of the Bonds, the Bond Ordinance, this Lease and Agreement and all other documents in connection therewith and all blue sky filing fees and expenses, legal investment survey and rating agency fees.

(d) Except with respect to those items to be maintained, provided or furnished by the Lessor as provided in Section 8.7 hereof, payment for labor, services, materials and supplies used or furnished in and preparation of plans and specifications for the Project, the construction, acquisition and/or reconstruction of the Facility and the Leased Equipment site improvement, all as provided in the specifications therefor, payment for the cost of the construction, acquisition and installation of utility services or other facilities, including trackage to connect the Project with public transportation facilities, if required, and all real and personal property deemed necessary in connection with the Project and payment for the miscellaneous expenses incidental to any thereof including the premium on each

surety bond required to be deposited with the Trustee under any of the provisions of the Bond Ordinance which relate to the Project.

(e) Payment of the fees, if any, for architectural, engineering and supervisory services with respect to the Project.

(f) Payment, as such payments become due, of the fees and expenses of the Trustee and of any paying agent properly incurred under the Bond Ordinance that may become due during the Construction Period.

(g) To the extent not paid by a contractor on the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Lease and Agreement, or reimbursement thereof if paid by the Lessee under Section 6.4 hereof.

(h) Payment of the taxes, assessments and any other charges referred to in Section 6.3 hereof that may become payable during the Construction Period.

(i) Payment of expenses incurred with approval of the Lessee in seeking to enforce any remedy against any contractor, subcontractor or supplier in respect of any default under a contract relating to the Project.

(j) If the Bond Ordinance authorizes the use of Bond proceeds to pay interest during construction, payment to the Trustee at least five (5) business days before each interest payment date of interest accruing on the Bonds from the date thereof to and including six months after the Completion Date.

(k) Payment of any other costs and expenses relating to the construction or financing of the Project.

(l) All moneys remaining in the Construction Fund after the Completion Date and after payment or provision for payment of all other

items provided for in the preceeding subsections (a) to (k), inclusive, of this Section shall be paid into the Bond Fund, except for amounts retained by the Trustee at the direction of the Authorized Lessee Representative for payment of Project costs not then due and payable. Any balance remaining of such retained funds after full payment of all such Project costs shall be paid into the Bond Fund.

The Trustee may advance moneys from the Construction Fund (including amounts retained under the preceeding subsection (l) of this Section) to the Lessee or with Lessee's prior written consent to a contractor acting as agent of the Lessee for use by the Lessee or such agent in making any of the payments referred to in the preceeding subsections (d), (e) and (k) of this Section, if there is furnished to the Trustee an agreement satisfactory to the Trustee executed by the Lessee indemnifying the Trustee against any loss occasioned by the failure of the Authorized Lessee Representative to certify on or before the Completion Date that the amounts so advanced have been used to make payments referred to in said subsections (d), (e) and (k) or are being retained in accordance with said subsections (l) to make such payments.

Before any of the payments referred to in the preceeding subsections (a) through (k) of this Section may be made, the Authorized Lessee Representative shall certify to the Trustee and the Lessor with respect to each such payment: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the Construction Fund, and (ii) that each item for which the payment is proposed to be made is or was necessary or appropriate in connection with the Project. In addition the Authorized Lessor Representative shall approve in writing any such payment.

In the case of any contract providing for the retention of a portion of the contract price, there shall be paid from the Construction Fund only the amount then due under such contract.

Section 4.4. Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Lessee and Lessor agree to cooperate in furnishing to the Trustee the documents referred to in Section 4.3 hereof that are required to effect payments out of the Construction Fund. Such obligation is subject to any provisions of the Bond Ordinance requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Construction Fund available for payment under the terms of the Bond Ordinance.

Section 4.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Authorized Lessee Representative and the Authorized Lessor Representative stating that, except for amounts retained by the Trustee for Project costs not then due and payable as provided in Section 4.3(1), (i) the acquisition, construction and/or reconstruction of the Facility and the Leased Equipment has been completed in accordance with the specifications therefor and all labor, services, materials and supplies used in such construction have been paid for, (ii) all other facilities necessary in connection with the Project have been constructed and/or reconstructed, acquired and installed in accordance with the specifications therefor and all costs and expenses incurred in connection therewith have been paid, and (iii) the Facility and the Leased Equipment have been acquired, constructed and/or reconstructed and installed to their satisfaction, the Facility and the Leased Equipment so acquired, constructed and/or reconstructed and installed as specified in subsections (a) and (b) of Section 4.1

hereof and are suitable and sufficient for the efficient operation of the Project and all costs and expenses incurred in the construction and/or reconstruction, acquisition and installation of the Facility and Leased Equipment have been paid. Notwithstanding the foregoing, such certificate shall be and shall state that it is given without prejudice to any rights of the Lessor or the Lessee against third parties which exist at the date of such certificate or which may subsequently come into being. The Lessor and the Lessee agree to cooperate one with the other in causing such certificate to be furnished to the Trustee.

Section 4.6. Lessee Required to Complete Project and to Pay Construction and Equipment Costs in Event Construction Fund Insufficient. In the event that monies in the Construction Fund available for payment of the cost of the Project should not be sufficient to pay the costs thereof in full, the Lessee agrees to complete the Project and to pay to the persons entitled thereto all that portion of the costs of the Project as may be in excess of the monies available therefor in the Construction Fund. The Lessor does not make any warranty, either express or implied, that the monies which will be paid into the Construction Fund and which, under the provisions of this Lease and Agreement, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the monies in the Construction Fund the Lessee should pay any portion of the costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Lessor or from the Trustee or from the holders of any of the Bonds, nor shall it be entitled to any diminution of the rents payable under Section 5.3.

Section 4.7. Lessee to Pursue Remedies Against Contractors, Subcontractors and Suppliers and Their Sureties. In the event of default of any contractor, subcontractor or supplier under any contract made in connection with the Project, the Lessee will promptly proceed, either separately or in conjunction with the Lessor, at the Lessor's option, or with others, to exhaust the remedies of the Lessee and/or Lessor against the contractor, subcontractor or supplier so in default and against each surety for the performance of such contractor, subcontractor or supplier. The Lessee agrees to advise the Lessor of the steps it intends to take in connection with any such default. If the Lessee shall so notify the Lessor, the Lessee may, in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take other action involving any such contractor, subcontractor, supplier or surety which the Lessee deems reasonably necessary and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing prior to the Completion Date shall be paid into the Construction Fund and after the Completion date shall, after reimbursement to the Lessor and the Lessee of any costs incurred by them by reason of such default, including construction costs and legal and related costs expended in prosecuting all claims against such defaulting party, be paid into the Bond Fund.

Section 4.8. Investment of Monies in the Construction and Bond Funds. Any monies held as part of the Construction Fund, Bond Fund or Trust Account shall be invested or reinvested, as permitted by law, by the Trustee, as provided in the Bond Ordinance, in direct obligations of, or obligations

guaranteed by the United States of America; obligations issued or guaranteed as to principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America; obligations issued or guaranteed by any state of the United States of America, or any political subdivision of any such state; repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States of America or by any person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America; and certificates of deposit issued by commercial banks. The Trustee may, and to the extent required for the payment from the Construction Fund or the Bond Fund shall, sell any such obligations at any time, and the proceeds of such sale and of all payments on maturity and upon redemption of such investments, shall be held in the Construction Fund or Bond Fund, as the case may be. Interest and other income received on monies or securities in such Fund shall be credited to and applied as provided in Section 701 of the Bond Ordinance.

Section 4.9. Issuance of Additional Bonds. Without detracting from the obligations of the Lessee hereunder at any time during the Lease Term or any extension thereof as provided in Section 11.2 hereof, Lessee may request that the Lessor finance the cost of completing the Project, and the costs of additions, extensions and improvements in, to or on the Project (as long as such additions, extensions and improvements do not affect the character of the Project as a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended), as the

Lessee may deem necessary or essential, including the cost of the issuance and sale of additional Bonds, upon the terms and conditions provided in Section 209 of the Bond Ordinance. If the Lessee is not in default hereunder, the Lessor agrees, on the request of the Lessee, from time to time, to use its best efforts to issue the amount of additional Bonds specified by the Lessee (under the conditions specified above and in said Section 209 of the Bond Ordinance), provided that the terms, manner of issuance, purchase price and disposition of proceeds of the sale of such additional Bonds shall have been approved in writing by the Lessee and provided further, that if such additional Bonds are for the purpose of financing the cost of additions, extensions and improvements in, to or on the Project, the Lessee and the Lessor shall have entered into an amendment to this Lease and Agreement to provide for additional rent in an amount at least sufficient to pay the principal of, premium, if any, and interest on the additional Bonds as the same shall mature and become due, and to make all other required payments under such amendment, and the Lessor shall have otherwise complied with the provisions of Section 209 of the Bond Ordinance with respect to the issuance of such additional Bonds. Such amendment will provide that any such improvements shall become a part of the Project and shall be included under this Lease and Agreement to the same extent as if originally included hereunder.

ARTICLE V

Effective Date of This Lease and Agreement;

Duration of Lease Term; Rental Provisions

Section 5.1. Effective Date of this Lease and Agreement; Duration of Lease Term. Subject to the provisions of Section 11.2 hereof, this Lease

and Agreement shall commence on July 1, 1975 and shall supersede in total the Existing Agreement between the parties dated October 8, 1954, save and except any obligations outstanding and sums due under the existing Agreement. The leasehold estate created herein shall then begin, and shall continue in full force and effect to and including June 30, 1996, unless terminated prior thereto as hereinafter provided. If however, approval is required by the Federal Maritime Commission, this Lease and Agreement shall not become effective until such approval is obtained.

Section 5.2. Delivery and Acceptance of Possession. The Lessor agrees to deliver to the Lessee sole and exclusive possession of the Project (subject to the right of the Lessor and the Trustee to enter thereon for inspection purposes and to the other provisions of Section 8.2 hereof) on the Completion Date and the Lessee agrees to accept possession of the Project upon such delivery; provided, however, that the Lessee shall be permitted such possession of the Project prior to such date for delivery of sole and exclusive possession as shall be appropriate for the acquisition, construction and/or reconstruction of the Facility and the Leased Equipment or other utilization of the Project by the Lessee.

Section 5.3. Rents and Other Amounts Payable. (a) At least five (5) business days before the first interest payment date on the Bonds and at least five (5) business days before each interest payment date thereafter until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Bond Ordinance, the Lessee shall pay as rent for the Project an amount which, when added to any monies then on deposit in the Bond Fund, shall be

equal to the amount payable as interest and principal, either at stated maturity or in accordance with the provisions of the sinking fund provided in Section 306 of the Bond Ordinance, on the Bonds on such next succeeding interest payment date. On the fifth business day following written notice from the Trustee or the Lessor to the Lessee, the Lessee shall also pay as rent for the Project an amount equal to the principal of and interest accrued to the date of such payment on the Bonds then due and payable by reason of any declaration of the Trustee pursuant to Section 1002 of the Bond Ordinance.

If at any interest payment date the balance in the Bond Fund is insufficient to make required payments of principal, interest and redemption premium, if any, on the Bonds on such date, the Lessee will forthwith pay any deficiency to the Trustee for deposit in the Bond Fund; provided, that any amount at any time held by the Trustee in the Bond Fund for the payment of the Bonds shall, at the election of the Lessee, be credited against the aforesaid rent obligations next required to be met by the Lessee, to the extent such amount is in excess of the amount required for payment of (i) any Bonds theretofore matured or called for redemption plus (ii) past due interest, in all cases where such Bonds or coupons have not been presented for payment; and provided further, that if at any time the amount held by the Trustee in the Bond Fund shall be sufficient to pay at the times required the principal of and interest and redemption premium, if any, on all of the Bonds then remaining unpaid, the Lessee shall not be obligated to make any further rental payments under the provisions of this subsection (a).

(b) In addition to the amounts required to be paid by Lessee under the provisions of subsection (a) of this Section, Lessee agrees to

pay to the Lessor, in equal monthly installments, rent in accordance with the following schedule:

(i) From July 1, 1975 through June 30, 1976 -
\$100,000, and

(ii) From July 1, 1976 through June 30, 1996 -
\$192,000 per annum.

(c) To the extent the same would constitute a lien on the Project, the Lessee further agrees to pay all taxes and assessments, general or special, concerning or in any way related to the Project, or any part thereof, during the Lease Term or any renewal thereof, and any other governmental charges and impositions whatsoever, foreseen or unforeseen, and all utility and other charges and assessments in the manner, at the times and under the conditions more specifically provided in Section 6.3 hereof.

(d) The Lessee agrees to pay to the Trustee commencing with the Completion Date, and continuing until the principal of and interest and any redemption premium on all of the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Bond Ordinance, (i) the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and its Ordinary Expenses incurred under the Bond Ordinance, (ii) the fees and charges of the Trustee and any paying agents on the Bonds for acting as paying agents as provided in the Bond Ordinance, as and when the same become due, (iii) the fees and charges of the Trustee for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it for said Bonds under the Bond Ordinance, as and when the same become due, and (iv) the costs and expenses of the Lessor incurred in connection with

the Project during the term and any extensions of this Lease and Agreement, excluding costs and expenses incurred by the Lessor in performing its obligation under Section 2.1(d) of this Lease.

(e) In the event the Lessee should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon at the highest rate of interest borne by any of the Bonds plus 2% per annum until paid.

Section 5.4 Payees of Rental Payments. The rent provided for in Section 5.3 (a) hereof shall be paid directly to the Trustee for deposit in the Bond Fund as provided in Section 5.3 (a) hereof. The additional payment provided for in Section 5.3 (b) hereof shall be paid directly to the Lessor at its offices in Portland, Oregon, or such other place as Lessor may designate. The additional payments provided for in Section 5.3 (c) hereof shall be paid directly to such taxing authorities or other public or private bodies as are entitled to receive such amounts. The additional payments to be made to the Trustee under Section 5.3 (d) hereof shall be paid directly to the Trustee for its own use or for disbursements to the paying agents, as the case may be.

Section 5.5. Obligations of Lessee Hereunder Unconditional. Subject to the provisions of Sections 7.6 and 9.8 hereof, the obligations of the Lessee to make the payments required in Section 5.3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and, until such time as the principal of and

interest and any redemption premium on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Bond Ordinance, the Lessee (i) will not suspend or discontinue any payments provided for in Section 5.3 hereof, (ii) will perform and observe all of its other agreements contained in this Lease and Agreement and (iii) except as provided in Article XI hereof will not terminate this Lease and Agreement for any cause including, without limiting the generality of the foregoing, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in Federal, State or local tax laws or other laws or any failure of the Lessor to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with this Lease and Agreement. Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained, or to deny the Lessee any rights which it may have against the Lessor for breach of performance by Lessor. The Lessee may, however, at its own cost and expense and in its own name or, if approved by the Lessor, in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding as the Lessee shall so request.

ARTICLE VI

Maintenance, Utilities, Taxes and Insurance

Section 6.1(a). Maintenance and Modifications of Project by Lessee.

Except as provided in Section 6.1(b) hereof, the Lessee agrees that during the Lease Term, or any extension thereof as provided in Section 11.2 hereof it will at its own expense keep the Project in good repair and in good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof. The Lessee shall have the right, at its own expense, to place a sign or signs in or on the Leased Land or the Facility or the Leased Equipment identifying the Project and its operations therein and thereon as its corporate enterprise and under its corporate or other lawful name. The Lessee may also, at its own expense, make from time to time any additions, modifications or improvements to the Project it may deem desirable for its business purposes (so long as such additions, modifications or improvements do not affect the character of the Project as a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended). All such additions, modifications and improvements so made by the Lessee shall become a part of the Project; provided, that any real or personal property, machinery, equipment, furniture or fixtures installed by the Lessee as part of the Project without expense to the Lessor and not constituting a part of the Leased Equipment, except such of the above that would affect the operation of the Project or the character of the Project as a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended, may be removed by the Lessee at any time and from time to time

while it is not in default under this Lease and Agreement; and provided further, that any damage to the Project occasioned by such removal shall be repaired by the Lessee at its own expense. The Lessee will not permit any mechanics' or other liens to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications, improvements, repairs, renewals or replacements made by Lessee; provided, that the Lessee may in good faith contest any mechanics' or other liens filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the Lessee that by non-payment of any such items the Project or any part thereof will be subject to loss or forfeiture, in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or secure such payment by posting a bond, in form satisfactory to the Trustee. The Lessor will cooperate fully with the Lessee in any such contest. Nothing contained in this Section 6.1 shall prevent the Lessee from purchasing, after the date hereof, but not out of Bond proceeds, furniture, machinery and equipment on conditional sale contract or lease sale contract or subject to vendor's lien or security interest, as security for the unpaid portion of the purchase price thereof.

(b). With respect to those common use facilities described in Exhibit C Part II (except for the Berths referred to in Section 8.8 hereof), which under the terms hereof the Lessee does not have exclusive use and occupancy thereof, the Lessor shall have the obligation to maintain the same in good operating condition and in good repair and the Lessee shall be obligated to pay to the Lessor fifty percent (50%) of all costs incurred by the

Lessor in the maintenance and repair of the same. All such maintenance and repair shall be determined and performed by the Lessor. The Lessee shall pay to the Lessor its percentage share of the costs set forth herein within sixty (60) days of the completion of such maintenance and repair.

In the event Lessor defaults in its obligations, Lessee may perform the obligations on Lessor's behalf and shall be reimbursed by Lessor for all costs and expenses incurred, or may set off Lessor's obligations against rents to be paid by Lessee under Section 5.3(b).

Section 6.2. Removal of Leased Equipment. The Lessor shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary Leased Equipment. In any instance where the Lessee determines that any items of Leased Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may with the approval of the Lessor remove such items of Leased Equipment from the Facility or the Leased Land and (on behalf of the Lessor) sell, trade in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Lessor or the Trustee therefor, provided that the Lessee shall either:

(a) Substitute and install anywhere on the Leased Land other machinery, equipment, or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Project, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Leased Equipment; or

(b) Not make any such substitution and installation, provided (i) that in the case of the sale of any such machinery, equipment or related property to anyone other than itself or in the case of the scrapping thereof, the Lessee shall pay into the Bond Fund the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such machinery, equipment or related property for other machinery, equipment or related property not to be installed on the Leased Land, the Lessee shall pay into the Bond Fund the amount of the credit received by it in such trade-in and (iii) that in the case of the sale of any such machinery, equipment or related property to the Lessee or in the case of any other disposition thereof the Lessee shall pay into the Bond Fund an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice or the true market value thereof, whichever is greater.

In the event that Lessee prior to such removal of items of Leased Equipment from the Facility and the Leased Land has acquired and installed machinery or equipment with its own funds which has become part of the Leased Equipment, Lessee may take credit to the extent of the amount so spent by it less any accumulated depreciation against the requirement that it either substitute and install other machinery and equipment having equal or greater utility or that it make payment into the Bond Fund, providing that the provisions of this sentence shall not relieve the Lessee of any of its maintenance obligations contained in Section 6.1 hereof.

The removal from the Project of any portion of the Leased Equipment pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3.

The Lessee will promptly report to the Trustee each such removal, substitution, sale and other disposition and will pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the Bond Fund promptly after any sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the Bond Fund on account of all such sales, trade-ins or other disposition not previously reported aggregates at least \$50,000. The Lessee will not remove, or permit the removal of any of, the Leased Equipment from the Leased Land except in accordance with the provisions of this Section.

Section 6.3. Taxes, Other Governmental Charges and Utility Charges.

The Lessee will pay during the Lease term and extensions thereof as provided in Section 11.2 hereof as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Lessee therein or thereon or with respect to the original issuance of the Bonds (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the Lessor derived from the Project, except dockage fees and similar charges, pursuant to this Lease and Agreement, which, if not paid, would become a charge on the revenues and receipts of the Lessor from the Project prior to or on a parity with the charge under the Bond Ordinance thereon and the pledge or assignment thereof to be created and made in the Bond Ordinance), all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project and

all assessments and charges lawfully made by any governmental body for public improvements; provided, that with respect to special assessments that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term and any extension thereof as provided in Section 11.2 hereof.

The Lessee may, at its expense and in its own name and behalf or in the name and on behalf of the Lessor, but only after written notice to the Lessor, in good faith contest the amount of such taxes, assessments and other charges, and, in the event of any such contest, may permit the taxes, assessments of other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lessor or the Trustee shall notify the Lessee that by non-payment of any such items, such items would become a charge on the revenues and receipts of the Lessor from the Project prior to or on a parity with the charge under the Bond Ordinance thereon and the pledge or assignment thereof, or the Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Trustee, with the Trustee. The Lessor will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Trustee may (but shall be under no obligation to) pay the same or post such bonds and any amounts so advanced therefor by the Trustee shall become an additional obligation of the Lessee to the Trustee, which amounts, together with interest thereon at the highest rate of interest borne by any of the Bonds plus 2% per annum from the date thereof, the Lessee agrees to pay. The Lessor shall cooperate with the Lessee in connection with

any administrative or judicial proceedings for determining the validity or amount of any payments in lieu of taxes and appoints the Lessee to take all action which the Lessor may lawfully take in respect of such payments and all matters relating thereto and the Lessee shall bear and pay all costs and expenses of the Lessor thereby incurred at the request of the Lessee or by reason of any such action taken by the Lessee on behalf of the Lessor.

Section 6.4. Insurance Required. During the Construction period and throughout the Lease Term and any extensions thereof as provided in Section 11.2 hereof, the Lessee or the Lessor shall keep the Project continuously insured against such risks as are customarily insured against by businesses of like size and type as the Lessee, paying except as provided in Section 4.3 (g) hereof, as the same become due and payable all premiums with respect thereto, including but not necessarily limited to:

(a) The Lessee shall procure and maintain insurance upon a repair and replacement cost value basis of all properties covered by this Lease and Agreement in an amount equal to at least 90% of such value (but in no event shall it be less than the cost of paying or redeeming all Bonds from time to time outstanding) as determined by a recognized and qualified appraiser selected by the Lessee, and approved by the Lessor, against loss or damage by fire and lightning, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State and with standard vandalism and malicious mischief endorsement. Loss or damage by earthquake shall also be insured, but this peril may be subject to a deductible not exceeding \$1,000,000 applying to each loss. Both Lessor and Lessee shall be named as assureds under the insurance required by this subparagraph (a).

(b) The Lessee shall at its expense procure and maintain insurance to the extent of \$1,000,000 (or such greater amount as shall be

determined by the Lessor) per occurrence combined single limit of bodily injury and property damage liability, including loss of use, on a standard comprehensive liability form, including automobile and contractual, arising from or in connection with all operations in connection with the Project.

(c) The Lessee shall at its expense procure and maintain business interruption insurance, to cover loss, total or partial, of the use of the Project as the result of any fire, explosion, vandalism, malicious mischief, earthquake, tornado, hurricane and other hazards normally covered by extended coverage endorsement, in such amounts that, in case of a loss of the use of the Project, or any part thereof, the proceeds of such insurance in the event of loss will be in an amount equal to not less than the anticipated rentals for a period of twelve months.

The provisions of this section as to insurance required to be procured and maintained shall not limit or prohibit, or be construed as limiting or prohibiting, the Lessor or the Lessee from obtaining any other insurance with respect to the Project or the use and occupancy thereof that either or both of them may wish to carry, but in the event the Lessor or the Lessee, as the case may be, shall procure or maintain any such insurance not required by this section, the cost thereof shall be at the expense of the party procuring or maintaining the same.

Any insurance carried by the Lessor or Lessee pursuant hereto may be procured and maintained as part of or in conjunction with any other policy or policies carried by it.

The Lessor and Lessee to the maximum extent possible have attempted to cover their respective liabilities, each to the other, by the insurance

provisions contained in this Section 6.4. To that end, the Lessor and Lessee do each hereby release and relieve the other, and waive their entire claim of recovery for loss, damage or injury (including but not limited to business interruption claims) arising out of or incident to fire, explosion and all other perils included in the extended coverage endorsement mentioned in Section 6.4(a) in, on or about the Project whether due to negligence of either the Lessor or Lessee, their agents, or employees or otherwise. This agreement shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Lessor or Lessee.

Section 6.5. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required in Section 6.4(a) hereof shall be applied as provided in Section 7.2 hereof and (ii) the Net Proceeds of the insurance required in Section 6.4(b) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.6. Additional Provisions Respecting Insurance. Except as otherwise provided in Section 6.4 hereof, all insurance required by said Section shall be taken out and maintained in generally recognized responsible insurance companies acceptable to the Lessee, Trustee and the Lessor, and may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects to those in which the Lessee is engaged. All policies required by Section 6.4(a) hereof evidencing such insurance shall provide

for payment of the losses to the Lessor, the Lessee and the Trustee as their respective interests may appear, pursuant to this Lease and Agreement, and shall contain a clause requiring that all Net Proceeds of insurance resulting from any claim in excess of \$500,000 for loss or damage covered thereby be paid to the Trustee; provided, however, that all claims regardless of amount may be adjusted by the Lessee with the insurers, subject to approval of the Lessor and the Trustee as to settlement of any claim in excess of \$100,000.

All such policies shall contain a provision requiring thirty (30) days notice of cancellation to the Trustee, Lessor and Lessee. All such policies, or a certificate or certificates of the insurers that such insurance is in force and effect, shall be deposited with the Trustee and the Lessor, and the Lessee will furnish to the Trustee and the Lessor written confirmation reciting that the amounts and types of insurance evidenced by such policies comply with the requirements of Section 6.4 (a), (b) and (c) hereof; and thirty (30) days prior to expiration of any such policy, the Lessee shall furnish the Trustee and the Lessor with evidence satisfactory to the latter, that the policy has been renewed or replaced or is no longer required by this Lease and Agreement. In lieu of the separate insurance policies above provided, such insurance may be in the form of a blanket insurance policy or policies of the Lessee, or Lessor, which policy or policies may contain comparable deductible amounts and exceptions and exclusions to those outlined above.

Section 6.7 Advances by Trustee. In the event the Lessee or the Lessor shall fail to maintain the full insurance coverage required by this Lease and Agreement or shall fail to keep the Project in as reasonably safe

condition as its operating condition will permit, or shall fail to keep the Facility and the Leased Equipment in good repair and good operating condition, the Trustee may (but shall be under no obligation to) after notice to the Lessor and Lessee to make such correction without receiving any response thereto within a reasonable time, take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor by the Trustee shall become an additional obligation of the Lessor or Lessee, whichever is applicable, to the Trustee, which amounts, together with interest thereon at the highest rate of interest borne by any of the Bonds plus 2% per annum from the date thereof, the Lessee agrees to pay.

ARTICLE VII

Damage, Destruction and Condemnation

Section 7.1. Damage and Destruction of Less than One-Half the Project.

As used in this Article VII, the following words shall have the following meaning:

"Award of Both Parties" means the total of the amounts ^{of} ob both the Lessor's Gross Award and the Lessee's Gross Award;

"Lessee's Gross Award" means the amount awarded to or received by the Lessee as damages, compensation or otherwise by reason of the taking of Lessee's leasehold interest or any part thereof, or the taking of any property installed or furnished by the Lessee which does not constitute part of the Project, as a result of or in anticipation of the exercise of the right of condemnation or eminent domain;

"Lessee's Net Award" means the amount remaining of the Lessee's Gross Award after deducting therefrom the following two items: (a) the portion of

Lessee's Gross award allowed for or allocable to any property installed or furnished by Lessee which does not constitute part of the Project, and (b) Lessee's costs and expenses, including but not limited to reasonable attorney's fees, expended or incurred in or in anticipation of proceedings for condemnation of the Project or any part thereof;

"Lessor's Gross Award" means the amount awarded to or received by the Lessor as damages, compensation, or otherwise, by reason of the taking of the Project or any part thereof as a result of or in anticipation of the exercise of the right of condemnation or eminent domain;

"Lessor's Net Award" means the amount remaining of Lessor's Gross Award, after deducting therefrom the following two items (a) the portion of Lessor's Gross Award allowed for or allocable solely to the Leased Land, disregarding for this purpose the value of the buildings, structures and any other improvement thereon, with the same effect as if the Leased Land were vacant and unimproved; and (b) the costs and expenses, including but not limited to, reasonable attorney's fees expended or incurred by Lessor in or in anticipation of proceedings for condemnation of the Project or any part thereof.

If the Project is damaged by fire or other casualty to an extent that is less than one-half the fair market value of the Project (exclusive of the value of the Leased Land) immediately prior to such damage, the Lessee will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as existed immediately prior to the damage or destruction, in the same manner and on the same conditions as if Lessor elected to restore the Project under the provisions of Section 7.2. Provided, however, that if such restoration cannot be completed within a period of one year following the damage or destruction, Lessee may elect not to rebuild the Project, such election to be made in the manner and with the consequences provided for in Section 7.2.

Section 7.2. Damage and Destruction of One-Half or More of Project.

If the Project is destroyed in whole or is damaged by fire or other casualty to an extent that is one-half or more of the fair market value of the Project (exclusive of the value of the Leased Land) immediately prior to such destruction or damage, the Lessee shall promptly by written notice thereof to the Lessor and the Trustee elect whether or not the Project shall be rebuilt.

If the Lessee shall elect that the Project be rebuilt, all Net Proceeds of insurance resulting from claims for losses of \$500,000 or less shall be paid directly to the Lessee, and all Net Proceeds resulting from any such claims for losses in excess of \$500,000 shall be paid to and held by the Trustee or, if there are no longer any Bonds outstanding, the Lessor, whereupon (i) the Lessee will promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as it existed immediately prior to the damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property exclusive of land) as may be desired by the Lessee and as will not impair operating unity or productive capacity, or the revenue producing capability of the Project, or the character of the Project as a public grain elevator, and (ii) the Trustee, or if there are no Bonds outstanding, the Lessor, upon receipt of a certificate of the Authorized Lessee Representative that such payment is required for such purpose, will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses.

In the event said Net Proceeds of insurance are not sufficient to pay in full the costs of repair, rebuilding or restoration, regardless of the amount of the claim for loss, the Lessee will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said Net Proceeds. Lessee may request the Lessor to issue additional Bonds pursuant to Section 4.9 hereof to provide monies to pay all or part of such excess cost.

The Lessee shall not, by reason of the payment of any excess costs as required by the foregoing provisions of this Section (whether by direct payment thereof or advances to the Lessor or the Trustee thereof), be entitled to any reimbursement from the Lessor or any abatement or diminution of the rents payable under Section 5.3 or 11.2 hereof, except as provided in Section 7.6.

Any balance of such Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall be paid into the Bond Fund and, at the option of the Lessee exercised by written notice to the Lessor and the Trustee within ninety (90) days following the day such monies are paid into the Bond Fund, shall be used by the Trustee for any one or combination of the following purposes: 1) the purchase of Bonds at prices not exceeding the principal amount thereof plus accrued interest; 2) the redemption of Bonds at the principal amount thereof plus accrued interest to the redemption date; or 3) the payment of the rentals next to become due under Section 5.3(a) hereof. In the event that the Lessee shall fail to exercise its option provided by this paragraph, such monies shall be applied by the Trustee in the manner and for the purposes

as are all other monies paid into the Bond Fund. Provided, that if no Bonds are outstanding at the time such Net Proceeds are available, the Net Proceeds shall be paid to the Lessee or the Lessor as their interests may appear.

If the Lessee shall have elected under this Section that the Project shall not be rebuilt, the Lessee shall promptly notify the Lessor and the Trustee in writing that the Project is not to be rebuilt. If any Bonds are then outstanding, all Net Proceeds of insurance resulting from claims for losses shall be paid to the Trustee, and the Lessee shall pay 1) to the Trustee that amount which, together with all such Net Proceeds and all other monies then held under the Bond Ordinance and available for debt service, will be sufficient to provide for the redemption and retirement of all Bonds then outstanding on the first practicable date thereafter that such Bonds may be retired or redeemed in accordance with their terms; and 2) to the Lessor an amount which, together with any Net Proceeds of insurance in excess of the amount required for the redemption or retirement of all Bonds then outstanding, is reasonably estimated by the Lessor as the cost of clearing the Leased Land. If there are no Bonds then outstanding, Lessee shall pay to Lessor such amount which, together with such Net Proceeds, is reasonably estimated by the Lessor as the cost of clearing the Leased Land. Any Net Proceeds of insurance in excess of the amount required for such purpose shall be paid to the Lessor or the Lessee as their interests may appear.

Upon the making by the Lessee of such payments to the Trustee and the Lessor, this Lease shall thereupon cease and determine, and the parties

hereto shall be released and discharged from all further obligations hereunder, without prejudice, however, to any claims which may have accrued prior thereto in favor of either party against the other.

Section 7.3. Condemnation of Entire Project. If the whole or substantially the whole of the Project is taken as a result or in anticipation of the exercise of the right of condemnation or eminent domain, and any Bonds are then outstanding, the Award of Both Parties shall be paid to the Trustee. The Trustee shall deposit in the Bond Fund all or so much of the Award of Both Parties as shall be required, when added to any other monies then held by the Trustee and available for debt service, to pay or redeem all the then outstanding Bonds on the first practicable date thereafter on which the same may be paid or redeemed in accordance with their terms.

If the amount of the Award of Both Parties, when added to other monies then held by the Trustee and available for debt service, is insufficient to pay or redeem all of the then outstanding Bonds on the first practicable date thereafter on which the same may be paid or redeemed in accordance with their terms, the Lessee shall forthwith pay to the Trustee the amount of any such insufficiency.

If such Award, when added to other monies then held by the Trustee and available for debt service is in excess of the amount required for the purposes in the preceding paragraph, such excess shall be applied first to pay to Lessor an amount equal to that portion of Lessor's Gross Award allocable solely to the Leased Land, excluding all improvements thereon, and Lessor's costs and expenses (including but not limited to

reasonable attorneys' fees) in or in anticipation of the proceedings for condemnation. Any remaining excess shall be paid to the Lessee.

If the aggregate of the Award of Both Parties and all other monies held by the Trustee and available for debt service shall be sufficient to retire, in accordance with the provisions of the Bond Ordinance, all of the Bonds at the time outstanding and to pay all fees and charges of the Trustee or any paying agent, this Lease shall forthwith cease and determine, and the parties shall be released and discharged from all further obligations hereunder, without prejudice however to any claims which may have accrued prior thereto in favor of either party against the other.

If no Bonds are outstanding at the time of the taking, then each of the parties hereto shall have the right to collect and retain as its own property the Gross Award received by such party.

Section 7.4. Condemnation of Less than Entire Project. If less than the whole or substantially the whole Project is taken as a result or in anticipation of the exercise of the right of condemnation or eminent domain, and if Lessee determines in its sole discretion that the remaining portion of the Project can be restored to a complete functioning unit suitable for operation as a public grain elevator, and that such operation is commercially feasible, then Lessee shall so restore such remaining portion, and this Lease shall continue in full force and effect. The cost of such restoration shall be paid out of the total of Lessor's Net Award and Lessee's Net Award. If the total of said Net Awards shall be insufficient to pay such cost, Lessee shall pay the amount of such deficiency. Lessee

may request the Lessor to issue additional Bonds pursuant to Section 4.9 hereof to provide monies to pay all or part of such excess costs.

If the total of such Net Awards exceeds the cost of such restoration and if at the time of the completion thereof any Bonds shall remain outstanding, then such excess shall be deposited in the Bond Fund and used and applied, in accordance with the provisions of the Bond Ordinance, in the same manner and with the same effect as excess Net Proceeds of insurance are to be used and applied under Section 7.2. If such excess shall be more than sufficient to pay or redeem all outstanding Bonds, then the balance thereof remaining after the payment or redemption of such Bonds shall be divided between Lessor and Lessee in proportion to their respective Net Awards. If no Bonds shall be outstanding at the time of the completion of such restoration then the portion of the total of such Net Awards remaining after paying therefrom the cost of such restoration shall likewise be divided between Lessor and Lessee in proportion to their respective Net Awards.

The Lessee shall not, by reason of payment of any excess costs as required by the foregoing provisions of this Section (whether by direct payment thereof or advances to the Lessor or the Trustee therefor) or by reason of any diminution in the Project resulting from any taking thereof, be entitled to any reimbursement from the Lessor or any abatement or diminution of the rent payable under Section 5.3 or 11.2 hereof, except as provided in Section 7.6.

If the Lessee shall determine that the remaining portion of the Project shall not be restored, and if at the time of such taking any

Bonds shall remain outstanding, then the Net Awards of both Lessor and Lessee shall be applied to the payment or redemption of such outstanding Bonds on the first practicable date on which the same may be paid or redeemed in accordance with their terms. In such case (a) if the total of the Net Awards of both Lessor and Lessee, together with any monies available for debt service under the Bond Ordinance, is less than the amount required for the payment or redemption of all outstanding Bonds, in accordance with their terms, then the Lessee shall pay to the Trustee the amount of such deficiency, and (b) if the total of said Net Awards, together with any monies available for that purpose under the provisions of the Bond Ordinance, shall exceed the amount required for the payment or redemption of all outstanding Bonds, such excess shall be divided between Lessor and Lessee in proportion to their respective Net Awards. This Lease shall thereupon terminate, and the parties hereto shall be released and discharged of and from all further obligations hereunder without prejudice, however, to any claims which may have accrued prior thereto in favor of either party against the other.

Each of the parties hereto shall have the free and unrestricted right to be represented by counsel in, or in anticipation of or preparation for, any condemnation proceedings governed by this or the preceding section and to receive any award made to such party in any such proceeding, or as the result of negotiations with the authority exercising such right of condemnation or eminent domain, subject, however, to the obligation of the respective parties to use and apply their respective awards in the manner and for the purposes hereinabove provided. Lessor further agrees

that it will not, without the Lessee's written approval and consent, compromise or settle any claim for damages, compensation or other monies to which it may be entitled by reason of such condemnation proceedings.

Section 7.5. Condemnation of Lessee-Owned Property. The Lessee shall be the sole owner of any condemnation award attributable to the taking of Lessee's own property, including but not limited to Lessee's interest in the Leased Land, building, improvements, machinery, equipment and fixtures which do not constitute part of the Project, and Lessee's rights to use and occupancy of the Project.

Section 7.6. Abatement of Rent. In the case of damage to or destruction of part or all of the Project under Section 7.1 or 7.2 or the condemnation of part of the Project under Section 7.4, if Lessee is required to or elects to restore the Project, Lessee shall be entitled to an abatement of the rent owing under Section 5.3(b). Such abatement shall commence on the date the Lessee's use of the Project is impaired by the damage, destruction or condemnation and shall continue until such time as Lessee's use of the Project is restored to substantially the same level as immediately prior to such damage, destruction or condemnation. Such abatement shall be in proportion to the impairment of Lessee's use of the Project as a result of the damage, destruction or condemnation and shall be measured by comparing the number of tons of grain (on a monthly average) exported by Lessee from the Project during the months constituting the period of abatement and the number of tons of grain (on a monthly average) exported by Lessee from the Project during the same months in the three years preceding the period of abatement.

ARTICLE VIII

Special Covenants

Section 8.1. No Warranty of Condition or Suitability by the Lessor; Indemnity. The Lessor makes no warranty, either express or implied, as to the condition of the Project or that it will be suitable for the Lessee's purposes or needs. The Lessee releases the Lessor, its commissioners, agents, servants, officers and employees now or forever, from and covenants and agrees that the Lessor, its commissioners, agents, servants, officers and employees now or forever, shall not be liable for, and agrees to indemnify and hold the Lessor, its commissioners, agents, servants, officers and employees now or forever, harmless against any loss or damage to property or any injury to or death of any person occurring at or resulting from any cause whatsoever pertaining to the Project, the construction thereof, or the use and operation thereof except for any such loss, damage, injury or death caused by willful misconduct or gross negligence of the Lessor.

Section 8.2. Rights of Access to the Project. The Lessee agrees that the Trustee and the Lessor and their duly authorized agents shall have the right at all reasonable times during the Lease Term and any extensions thereof as provided in Section 11.2 hereof to enter at their own risk upon the Leased Land and to examine and inspect the Project other than areas thereof the examination of which in the reasonable judgment of the Lessee would result in the disclosure of trade secrets.

Section 8.3. Lessee to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that during the Lease Term and any extensions thereof as provided in Section 11.2 hereof, it will

maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets (except to the extent permitted by the Guarantee Agreement) and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Lessee may, subject to the written approval, if required, of the Federal Maritime Commission, without violating the agreement contained in this Section, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee corporation, as the case may be, assumes in writing all of the obligations of the Lessee herein and qualifies to do business in the State.

Section 8.4. Qualification in the State and Compliance with Federal and State Laws. The Lessee warrants that during construction and throughout the Lease Term, and any extensions thereof as provided in Section 11.2 hereof, it will continue to be duly qualified to do business in the State and that it will fully comply with all applicable Federal, State and local laws and regulations, including specifically, but not limited to, all environmental control laws, rules and regulations.

Section 8.5. Granting of Easements. Subject to approval of the Lessor and if no event of default under this Lease and Agreement shall have happened and be continuing, the Lessee may at any time or times (i) grant easements, licenses, rights of way and other rights or privileges in the nature of easements with respect to any property included in the Project,

free from the lien of the Bond Ordinance, or (ii) release existing easements, licenses, rights of way and other rights or privileges, all with or without consideration and upon such terms and conditions as the Lessee and the Lessor shall determine, and the Lessor agrees that if it has granted its approval it will execute and deliver and will cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other right or privilege or any such agreement or other arrangements, upon receipt by the Lessor and the Trustee of: (i) a copy of the instrument of grant or release or of the agreement or other arrangement, (ii) a written application signed by an officer of the Lessee requesting such instrument and (iii) a certificate executed by an officer of the Lessee stating (1) that such grant or release is not detrimental to the proper conduct of the business of the Lessee, and (2) that such grant or release will not impair the effective use or interfere with the efficient and economical operation of the Project and will not weaken, diminish or impair the security intended to be given by or under the Bond Ordinance. If the instrument of grant shall so provide, any such easement or right and the rights of such other parties thereunder shall be superior to the rights of the Lessor and the Trustee under this Lease and Agreement and the Bond Ordinance and shall not be affected by any termination of this Lease and Agreement or default on the part of the Lessee hereunder. If no event of default shall have happened and be continuing, any payments or other consideration received by the Lessee for any such grant or with respect to or under any such agreement or other arrangement shall be and remain the property of the Lessee but, in the event of the termination of

this Lease and Agreement or default of the Lessee, all rights then existing of the Lessee with respect to or under such grant shall inure to the benefit of and be exercisable by the Lessor and the Trustee. No conveyance or release effected under the provisions of this Section shall entitle the Lessee to any abatement or diminution of the rents payable under Section 5.3 hereof.

Section 8.6. Convenants Regarding Section 103(d)(2) of Internal Revenue Code. The Lessor and the Lessee hereby covenant and agree for the benefit of the Trustee and the holders of the Bonds that the proceeds of the Bonds shall not be used or applied directly or indirectly in such manner as to constitute any Bond an "arbitrage bond" as that term is defined in Section 103(d)(2) of the Internal Revenue Code of 1954, as the same may be amended from time to time. Without limiting the generality of the foregoing, the Lessor and the Lessee covenant they will make no use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of issue of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of said Section 103(d)(2), and the Lessor and the Lessee hereby assume the obligation to comply with the requirements of the said Section 103(d)(2), and any applicable regulations issued with respect thereto, as may be in force from time to time, throughout the term of the Bonds.

Section 8.7. Dredging and Utility Connections. The Lessor hereby covenants that during the Lease Term and any extensions thereof as provided in Section 11.2 hereof the dock frontage will be dredged and maintained at Lessor's expense to the then existing U.S. Army Corps of Engineers project depth (at present 40 feet) at low water along the harbor line and 35 feet

at low water along the proposed barge unloading facility. The Lessor and the Lessee agree that the existing roadway, electricity, telephone, water, sewer and industrial waste lines to the boundary of the Leased Land as shown on Exhibit A are suitable, or will be made suitable by Lessor within a reasonable time after notification by Lessee of the necessity therefor, for Lessee's purposes under this Lease. Lessor will at all times furnish the Lessee, or cause to be furnished to the Lessee, means of access suitable to the nature of Lessee's business and operations from the Leased Land to the public streets and thoroughfares and to the industrial lead trackage and will keep and maintain or cause to be maintained such access roads in good repair and condition. The access road or roads or industrial lead trackage need not be the same throughout the Lease Term and any extensions thereof as provided in Section 11.2 hereof so long as the Lessee is provided with a suitable access road and suitable lead trackage and so long as no change is made without Lessee's approval, which approval may not be unreasonably withheld.

Section 8.8. Preferential Berthing Rights. Lessor hereby makes available for Lessee's use Berth No. 405 as shown on attached Exhibit C, for barge loading and unloading purposes and Berth No. 401 for the loading and unloading of vessels. Lessee shall have the first right and privilege to use said Berths for delivering to or receiving from the Lessee those products being handled or processed by the Facility provided the Lessee notifies the Lessor of the estimated arrival of each and every vessel utilizing both Berths at least twelve (12) hours before the arrival of each such vessel. Lessee shall immediately cause any vessel to vacate any such Berth if the vessel is not engaged in actual loading, unloading or ship's husbanding operations, providing the Lessor requires the Berth

or Berths for either cargo handling activities or maintenance operations. When a Berth is not otherwise occupied in whole or in part by barges or vessels, the Lessor may use said Berth for any purposes the Lessor may determine; provided, however, that such use shall not damage the Lessee's solely owned equipment or the Leased Equipment.

The Lessee shall maintain and keep in good repair and operating condition the fender system, the ship mooring facilities and the deck of Berth No. 401 (the ship berth) and shall maintain and keep in good repair and operating condition the fender system, the barge mooring facilities and the deck of Berth No. 405 (the barge berth). The expense of such maintenance and repair shall be for the account of the Lessee; provided, however, that the Lessor shall reimburse the Lessee in proportion to the extent of use by it as determined by ship and barge berthings at each facility, e.g., the Lessor utilizes the ship berth (Berth No. 401) 10% of the time during any one calendar year and the Lessee utilizes the same 90% of the time during the same calendar year, whereupon the Lessor would be obligated to reimburse the Lessee for one-tenth of the above mentioned maintenance and repair costs. Any such reimbursement shall be made by Lessor to Lessee within sixty (60) days after being invoiced therefor by the Lessee. Lessor reserves the right to inspect the records of the Lessee with respect to such maintenance and repair costs at any time to ascertain the correctness thereof and the actual expenditure of funds relating thereto.

Section 8.9. Terminal Tariff and Dockage Charges. The Lessor and the Lessee hereby agree and covenant that during the Lease Term and any extensions thereof pursuant to Section 11.2 hereof, the Lessor reserves the exclusive

right to and shall assess and collect dockage charges on all vessels berthing at the Project and an appropriate tariff will be issued by the Lessor stating such charges and their application, which fees shall, however, be in accordance with the then existing appropriate Port of Portland published tariff, unless otherwise agreed to in writing by the parties hereto. The Lessee shall report to the Lessor monthly a detailed summary regarding vessel calls, vessel characteristics and time at berth. The Lessee shall have the exclusive right to assess and collect wharfage, service and facility charges, storage and other charges which may be assessed by the Lessee as a part of its integral operation of the Project. The Lessee shall keep on file with the Lessor and, if required, the Federal Maritime Commission any tariffs regarding its charges and shall inform the Lessor ten (10) days in advance of any change in service or facility charges.

Section 8.10. Nondiscrimination in Services. The Lessee agrees that it will operate the Project as a public grain elevator in a nondiscriminatory fashion and that it will not discriminate by segregation or otherwise against any person or persons because of race, creed, color, sex or national origin in furnishing, or by refusing to furnish, to such person, or persons, the use of the Project, including any and all services, privileges, accommodations, and activities provided thereby.

Section 8.11. Nondiscrimination In Employment. The Lessee covenants and agrees that in all matters pertaining to the performance of this Lease and Agreement, Lessee shall at all times conduct its business in a manner which assures fair, equal and nondiscriminatory treatment of all persons without respect to race, creed, color, sex or national origin and, in particular:

(a) Lessee will comply strictly with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto relating to the establishment of nondiscriminatory requirements in hiring and employment practices and assuring the service of all patrons or customers without discrimination as to any person's race, creed, color, sex or national origin, and

(b) Lessee acknowledges existence of a collective bargaining agreement dated October 11, 1971 between the I.L.W.U. and the Lessor. Lessee agrees during the term of such agreement to abide by the terms thereof to the extent to which the same applies to its operations under this Lease and Agreement. Provided that if there is a collective bargaining agreement between the I.L.W.U. and the Lessee governing Wages and working conditions on the Project, such collective bargaining agreement shall prevail.

Section 8.12. Construction of Competing Grain Elevators. The Lessor hereby agrees that for the first ten year portion of this Lease it will not enter into a lease for the modernization and/or reconstruction of any presently existing grain elevator on terms and conditions more favorable to the lessee of such property than this Lease except as follows: If such a new lease is negotiated prior to the end of the first ten year portion of the Lease Term, this Lease will be amended so that the position of the Lessee is at least equal to that of the new lessee, so long as such amendment does not prejudice the rights of holders of Bonds then outstanding.

ARTICLE IX

Assignment, Subleasing, Mortgaging and Selling;

Redemption; Rent Prepayment

Section 9.1. Assignment and Subleasing. This Lease and Agreement may be assigned in whole or in part, and the Project may be subleased as a whole or in part, by the Lessee with the approval of the Lessor and the Trustee, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 8.3 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment or subleasing the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 5.3, Section 10.2(a) and Section 11.2 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

(b) The Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Lessor and Trustee a true and complete copy of each such assignment or sublease, as the case may be.

(c) Approval of such assignment or sublease, shall be obtained from the Federal Maritime Commission if required under applicable law or regulation.

Section 9.2. Restrictions on Sale of Project by Lessor. Unless otherwise specifically provided herein the Lessor agrees that, except to secure the Bonds to be issued pursuant to the Bond Ordinance, it will not sell, assign, transfer or convey the Project during the Lease Term and any extensions thereof as provided in Section 11.2 hereof.

Section 9.3. Redemption of Bonds. If the Lessee is not in default in the payment of rent under Section 5.3 hereof, the Lessor, at the request of the Lessee, at any time the aggregate money's in the Bond Fund are sufficient to effect such redemption and if the same are then redeemable under the provisions of Section 301 of the Bond Ordinance, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Bond Ordinance to effect redemption of all or part of the then outstanding Bonds as may be specified by the Lessee, on such redemption date as may be specified by the Lessee.

Section 9.4. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized, at any time it may choose, to prepay any part of the rents payable under Section 5.3(a) hereof, and the Lessor agrees that the Trustee may accept such prepayment of rents when the same are tendered by the Lessee. All rents so prepaid shall be deposited in the Bond Fund and credited on the rental payments specified in Section 5.3(a) hereof in the order of their due dates, and at the election of the Lessee shall be used for the redemption or purchase of outstanding Bonds in the manner and to the extent provided in the Bond Ordinance.

Section 9.5. Presentment of Bonds for Cancellation. The Lessee expressly reserves the right and is authorized to present any principal amount of Bonds to the Trustee for cancellation. Bonds so presented for which a sinking fund has been established under the Bond Ordinance shall be credited against sinking fund payments as provided in Section 306 of

the Bond Ordinance. All Bonds so presented and cancelled shall thereafter no longer be considered outstanding for any purposes of the Bond Ordinance or the Lease and Agreement, including the payment of rents under Section 5.3(a) hereof.

Section 9.6. Installation of Lessee's Own Machinery and Equipment.

In addition to the machinery and equipment installed by the Lessee under the provisions of Section 6.1 hereof which does not become part of the Leased Equipment thereunder, the Lessee may from time to time, in its sole discretion and at its own expense, install additional machinery and equipment in the Facility or on the Leased Land. All machinery and equipment so installed by the Lessee shall remain the sole property of the Lessee in which neither the Lessor nor the Trustee shall have any interest and, may be modified or removed at any time while the Lessee is not in default hereunder; provided, however, that the Lessee shall not modify or remove such machinery or equipment if such machinery or equipment would affect the operation of the Project or character of the Project as a public grain elevator within the meaning of Section 103(c)(4)(D) of the Internal Revenue Code of 1954, as amended. Nothing contained in the preceding provisions of this Section shall prevent the Lessee from purchasing, after delivery of the Bond Ordinance, machinery and equipment on conditional sale contract or lease sale contract, or subject to vendor's lien or purchase money mortgage, as security for all unpaid portions of the purchase price thereof, and each such conditional sale contract, lease sale contract, vendor's lien or purchase money mortgage made by the Lessee with respect to machinery and equipment purchased by it under the provisions of this Section after the

delivery of the Bond Ordinance shall be filed for record in the office as may be at the time provided by law as the proper place for the recordation of such instruments simultaneously with or prior to the installation at the Project of the machinery and equipment covered thereby. The Lessor hereby waives any landlord's lien with respect to such property. The Lessee agrees to pay, unless in good faith contested by it, as due, the purchase price of and all costs and expenses with respect to the acquisition and installation of any machinery and equipment installed by it pursuant to this Section.

Section 9.7. Duties and Rights of Bondholders and Trustee After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Ordinance) and fees and charges of the Trustee, the paying agents and expenses of the Lessor to which it is entitled under this Lease and Agreement, the Trustee shall have no duties or functions hereunder and neither the Trustee nor the holder of any of the Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested under the terms of the Bonds or the Bond Ordinance.

Section 9.8. Lessee Entitled to Certain Rent Abatements if Bonds Paid Prior to Maturity; Rental Obligations If Bonds Not Issued. If at any time the aggregate monies in the Bond Fund shall be sufficient to retire in accordance with the provisions of the Bond Ordinance all of the Bonds at the time outstanding and to pay all fees and charges of the Trustee, the paying agents and the expenses of the Lessor due or to become due through the date on which the last of the Bonds is to be retired, under circumstances

not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use and occupy the Project from the date on which such aggregate monies are in the hands of the Trustee to and including June 30, 1996, without the payment of the rent required by Section 5.3(a) hereof during that interval (but otherwise on the terms and conditions hereof). If Bonds are not issued by the Lessor, the rental obligations of the Lessee shall be limited to the amount specified in Section 5.3(b) and 5.3(c) hereof and the Lessee shall not be required to make the rental payments provided for in Section 5.3(a).

ARTICLE X

Events of Default and Remedies

Section 10.1. Events of Default Defined. The following shall be "events of default" under this Lease and Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Lease and Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay or cause to be paid for a period of two business days after the same shall become due the rent required to be paid under Section 5.3 hereof.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, has been given to the Lessee by the Lessor or the Trustee, unless the Lessor and the Trustee (with any required consent

of Bondholders under the provisions of the Bond Ordinance) shall agree in writing to an extension of such time prior to its expiration. If a failure under this subsection* (b) be such that, it cannot be corrected within the applicable period, it shall not be an event of default if Lessee is taking appropriate corrective measures as permitted in Section 1012 of the Bond Ordinance.

(c) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee within sixty (60) days to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Project, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Lessee", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer, of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 8.3 hereof.

(d) Failure by the Lessor to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period

of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to or received by Lessor requesting that it be remedied. If a failure under this subsection (d) cannot be corrected within such thirty (30) day period, it shall not be an event of default if Lessor is taking appropriate corrective measures.

The foregoing provisions of Section 10.1(b) are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out the agreements on its part herein contained other than the obligations on the part of the Lessee contained in Article V and Sections 6.3 and 6.4 hereof, the Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within control of the Lessee. The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make

settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.

Section 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be continuing, the Lessor, or the Trustee where specifically provided below, may take any one or more of the following remedial steps:

(a) The Lessor or the Trustee as provided in the Bond Ordinance may, at its option, declare all installments of rent payable under Section 5.3 hereof for the remainder of the Lease Term to be due and payable, whereupon the same shall become due and payable.

(b) The Lessor, with the prior written consent of the Trustee, may re-enter and take possession of the Project without terminating this Lease and Agreement, and sublease the Project for the account of the Lessee, holding the Lessee liable for the difference in rent and other amounts payable by the sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder.

(c) The Lessor, with the prior written consent of the Trustee, may terminate this Lease and Agreement, exclude the Lessee from possession of the Project and use its best efforts to lease the Project to another party for the account of the Lessee, holding the Lessee liable for all rent and other amounts due under this Lease and Agreement and not paid by such other party.

(d) The Lessor or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the rent and

other amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Lease and Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Bond Ordinance or, if the Bonds have been fully paid (or provision for payment hereof has been made in accordance with the provisions of the Bond Ordinance) shall be paid to the Lessor unless all sums owing hereunder by the Lessee to the Lessor shall have been paid, in which case such amounts shall be paid to the Lessee.

Section 10.3. Remedies on Default of Lessor. Whenever any event of default referred to in Section 10.1(d) hereof shall have happened and be continuing, the Lessee may take any one or more of the following remedial steps:

(a) The Lessee may perform the covenant, condition or agreement which the Lessor has failed to perform and set off against the rental owing under Section 5.3(b) an amount equal to the Lessee's cost of such performance, provided that such set off may be made only if such cost is required by the Lease to be paid by Lessor and is not payable or reimbursible out of Bond Proceeds.

(b) The Lessee may take whatever action at law or in equity may appear necessary or desirable to enforce performance of any obligation, agreement, or covenant of Lessor under the Lease.

(c) If no Bonds are then outstanding, Lessee may terminate the Lease, vacate the premises, and shall thereafter have no further obligation to pay any rental owing under the Lease.

Section 10.4. Reinstatement. For a period of twelve months from any termination of this Lease in accordance with the provisions of Section 10 hereof, unless the Lessor shall have entered into a firm bilateral agreement providing for the reletting of the Project for a period of at least one year, the Lessee may pay all accrued unpaid rentals and other amounts due, including all rentals due and payable by reason of any declaration of the Trustee pursuant to Section 1002 of the Bond Ordinance, plus any costs to the Lessor and the Trustee occasioned by the default, including all interest required to be paid, and fully cure all defaults then capable of being cured. Upon such payment and cure, this Lease shall be fully reinstated, as if it had never been terminated, and the Lessee shall be restored to the use, occupancy and possession of the Project.

Section 10.5: No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor or Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease and Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 10.6. Agreement to Pay Attorneys' Fees and Expenses. In the event the Lessee should default under any of the provisions of this Lease

and Agreement and the Lessor or the Trustee should employ attorneys or incur other expenses for the collection of rent or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the Lessor or the Trustee the reasonable fee of such attorneys and such other expenses so incurred.

Section 10.7. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease and Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

Options in Favor of Lessee

Section 11.1. Options to Terminate.

(a) The Lessee shall have options to cancel or terminate this Lease and Agreement during the Lease Term prior to the full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Ordinance), if any of the following (i) through (iv) shall have occurred and shall have options to cancel or terminate this Lease and Agreement during any extensions of the Lease Term as provided in Section 11.2 hereof, if any of the following (i) through (iv) shall have occurred:

(i) The events described in Section 7.1 shall have occurred and Lessee elects not to repair or rebuild.

(ii) The events described in Section 7.3 shall have occurred and that all or substantially all of the project shall have been taken.

(iii) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Lessee in good faith, this Lease and Agreement shall have become void or unenforceable or impossible of performance or been declared to be unlawful.

(iv) The Project or a material portion thereof is adjudged by a court of competent jurisdiction to be a public nuisance and/or operation of the Project or a material portion thereof is permanently enjoined, and such decision has become final, or, if appealed, affirmed upon such appeal and the decision upon such appeal has become final.

(v) In the sole opinion of Lessee, expressed in writing to the Lessor and Trustee, the continued operation of the Project by Lessee is uneconomical.

(b) In the event of its exercise of the option granted in Section 11.1(a) the Lessee shall pay to the Trustee for deposit in the Bond Fund the sum of the following:

(i) an amount of money to be paid into the Bond Fund which, when added to the amount then on deposit in the Bond Fund for payment of Bonds, will be equal to the principal amount of all the then outstanding Bonds plus all interest accrued and to accrue on said Bonds to the earliest date following the date of such termination on which such Bonds may be redeemed or paid at maturity, plus

(ii) an amount of money equal to all redemption expenses plus the Trustee's and paying agents' fees and expenses under the Bond Ordinance accrued and to accrue until such final payment and redemption of the Bonds.

(c) To exercise the option granted in Section 11.1(a), the Lessee, shall, within ninety (90) days following the occurrence of a condition set forth in clauses (i) through (iv) of Section 11.1(a), give written notice of such exercise to the Lessor and to the Trustee specifying therein the date of termination or cancellation, which shall be not less than forty-five (45) or more than ninety (90) days from the date such notice is given. The Lessee shall also make arrangements satisfactory to the Trustee for the giving of notice of redemption of the Bonds in accordance with the provisions of the Bond Ordinance. In the event the Lessee elects to exercise such options, the Lessee may direct the Trustee to pay into the Bond Fund any Net Proceeds of insurance or condemnation award which the Trustee may then hold.

Section 11.2. Lessee's Options to Extend. Provided that all the principal, interest and any redemption premium on the Bonds shall have theretofore been duly paid or provided for, and provided further, that the Lessee is not in default hereunder, then the Lessee shall have, and is hereby granted, options to extend this Lease and Agreement upon the expiration of the term hereof set forth in Section 5.1 hereof for a five (5) year period, and upon the expiration of such five (5) year period, for a second successive five (5) year period, at an annual rental during each such extension period of One Hundred Ninety-Two Thousand Dollars (\$192,000),

payable in equal monthly installments. Unless otherwise provided herein any such extension shall otherwise be on the same terms and conditions as contained and provided for in this Lease and Agreement. Such options shall be exercised by the Lessee by giving written notice to the Lessor not less than twelve (12) months prior to the date of commencement of each such extension period. It is expressly understood that said annual rentals shall be a net return to the Lessor, and that Lessee shall pay all taxes, assessments, costs of maintenance, utilities and insurance, etc.; in accordance with the provisions of Sections 6.1, 6.3 and 6.4 hereof.

Section 11.3. Relative Position of Options and Bond Ordinance. The options granted to the Lessee in this Article shall be and remain prior and superior to the Bond Ordinance and, except as respects the options granted under Section 11.2 hereof, may be exercised whether or not the Lessee is in default hereunder, provided that such default will not result in non-fulfillment of any condition to the exercise of any such option.

ARTICLE XII

Miscellaneous

Section 12.1. Indemnity. To the extent not covered by Section 6.4, each party shall indemnify and defend the other party from any claim, loss or liability arising out of or related to any use by the other party or any third party of the common use facilities described in Exhibit C hereto.

Section 12.2. Release of Security Interest. Whenever Lessee removes any personal property from the Project pursuant to any of the provisions of the Lease, if such property has become subject to the lien of any security interest under the Uniform Commercial Code, the Lessor and Trustee

shall execute whatever documents may be necessary to release such property from the lien.

Section 12.3. Surrender of Project. Except as otherwise expressly provided in this Lease and Agreement, at the expiration or sooner termination of the Lease Term, or any extension thereof, the Lessee agrees within six (6) months thereafter to surrender possession of the Project peacefully and promptly to the Lessor in as good condition as it existed at the Completion Date, loss by damage and destruction (including fire or other casualty) of the type for which insurance is required by Section 6.4 hereof, condemnation and ordinary wear, tear and obsolescence only excepted. The rental provisions in effect under this Lease and Agreement shall remain in effect during such six (6) month period.

Section 12.4. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the second day following the day on which the same are mailed by registered mail, postage prepaid, addressed as follows: if to the Lessor, to The Port of Portland, P.O. Box 3529, Portland, Oregon 97208, attention: Executive Director; if to the Lessee, to Cargill Incorporated, Cargill Building, Minneapolis, Minnesota; and if to the Trustee, to the attention of its Corporate Trust Department. A duplicate copy of each notice, certificate or other communication given hereunder by either the Lessor or the Lessee to the other shall also be given to the Trustee. The Lessor, the Lessee, and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 12.5. Binding Effect. This Lease and Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.3, 9.1 and 9.2 hereof.

Section 12.6. Severability. In the event any provision of this Lease and Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any provision hereof.

Section 12.7. Amendments, Changes and Modifications. Except as otherwise provided in this Lease and Agreement or in the Bond Ordinance, subsequent to the issuance of the Bonds and prior to the payment in full of the Bonds (or until the monies on deposit in the Bond Fund shall be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of the Bond Ordinance, including, without limiting and generality of the foregoing, principal, interest to maturity or redemption date specified by the Lessee, as the case may be, premium, expenses of redemption and Trustee's and paying agents' fees and expenses), this Lease and Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee given in accordance with the provisions of the Bond Ordinance.

Section 12.8. Execution of Counterparts. This Lease and Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.9. Recording. This Lease and Agreement and every assignment and modification hereof or summaries thereof in proper recordable form shall be duly and appropriately recorded.

Section 12.10. Net Lease. This Lease and Agreement shall be deemed and construed to be a "net lease", and the Lessee shall pay absolutely net during the Lease Term and any extensions thereof as provided in Section 11.2 hereof the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

Section 12.11. Obligations Under Guarantee Agreement. The execution and delivery of this Lease and Agreement shall not impair or diminish in any respect the obligation of the Lessee as guarantor of the Bonds under the Guarantee Agreement.

Section 12.12. Construction and Enforcement. This Lease and Agreement shall be construed and enforced in accordance with the laws of the State.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease and Agreement to be executed and sealed in their behalf by their duly authorized representatives, all as of the date first above written.

Cargill Incorporated

By: William H. Fisher

By: _____

The Port of Portland

By: Robert H. Challen
President

By: Marion J. Leebow
ASST. SECRETARY

APPROVED AS TO FORM

Wm. B. Bohison
of Counsel for The Port of Portland

State of Oregon)
County of Multnomah) ss

On this 30th day of June, 1975, before me appeared Robert F. Wallace and Marion F. Siedow, who, being duly sworn, did say that he, Robert F. Wallace, is the President and he Marion F. Siedow, is the Assistant Secretary of the within named The Port of Portland, a municipal corporation, that the seal to the within instrument is the corporate seal of said municipal corporation, and that said instrument was signed and sealed by authority of its Board of Commissioners, and Robert F. Wallace and Marion F. Siedow acknowledged this to be the free act and deed of said municipal corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal this day and year first in this certificate written.

Marion B. Rohrer
Notary Public for Oregon
Commission Expires July 18, 1977

State of ~~Delaware~~ Oregon)
County of Multnomah) ss

On this 2nd day of July, 1975, before me appeared _____

William H. Fisher and _____, who, being duly sworn, did say that he, William H. Fisher, is the Vice President and he _____, is the _____ of the within named

Cargill Incorporated, a Delaware Corporation, that the seal to the within instrument was signed and sealed by authority of its Board of Directors, and William H. Fisher and _____ acknowledged this to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal this day and year first in this certificate written.

M. A. Salich
Notary Public
Commission Expires 10-20-76

1. Phase I Air Pollution Control

This is the installation of air pollution abatement equipment on all the elevator operations that will not be altered in the modernization program. This brings this much of the total operation within State and Federal Pure Air Standards. This work is under construction.

2. Railroad Yard Rehabilitation

This is the replacing of almost all of the trackage used by the elevator for receiving and loading out railroad cars. This includes reballasting, new track hardware, switches, etc. This work is completed. The old trackage was totally inadequate for handling today's larger cars and equipment.

3. New Office Building

This is necessary to provide a home for the new automation equipment, including computers, necessary to operate a modernized grain elevator. Additionally, it consolidates three separate grain laboratories around the operation under one roof. The State Grain Inspection Department, who do all the sampling, weighing and grading, will be in this building, as well as the Cargill supervisory and office personnel.

4. New Dock

This is necessary for berthing grain ships and for supporting equipment required to load grain into ships. This will be an all reinforced concrete structure.

5. New Shipping Gallery

This is the new overhead gallery, foundation structures and conveying equipment necessary to convey grain from the grain elevator out to the machinery that will put the grain on board the ship.

6. Two New Gantries

These machines will move on rails built in the new dock. They will receive the grain from the conveyors (Item #5), deliver it aboard ship.

7. Internal Modernization

This work includes replacing all the antiquated and worn out machinery, equipment, electrical, now in use in the elevator for receiving, weighing, sampling, distributing and loading out grain with modern high capacity material. All of this equipment will be automated for computer control. The entire operation will be brought into compliance with all City, State and Federal codes - OSHA, electrical, environmental, etc.

8. New Barge Receiving Installation

A new barge receiving elevator leg with supporting structure and conveyors for unloading barges will be constructed, replacing two very inefficient pneumatic discharge machines. (With company approval, one of these pneumatic machines will be moved and used for discharging distressed grain cargoes from ocean vessels.)

MACHINERY LIST

TERMINAL NO. 4 MODERNIZATION PROGRAM

CARGILL, INCORPORATED

PORT OF PORTLAND

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u> (tph)	<u>LENGTH</u> (ft)
1	L1	West Shipping Leg	1,000	209
1	L2	Center Shipping Leg	1,000	206
1	L3	East Shipping Leg	1,000	206
1	L4	Marine Leg	1,000	96
1	L5	Barge Receiving Leg	1,000	206
1	L6	Car Receiving Leg	900	222
1	L7*	Car Receiving and Screenings Leg	300	207
1	L8	Truck Receiving Leg	215	182
1	L9	Carter Disc Leg	40	182
1	L10	Carter Disc Leg	40	193
1	L11	West Cleaner Leg	120	159
1	L12	Washer Leg	100	141
1	L13	East Cleaner Leg	150	140
1	C10	60" Shipping Belt at Workhouse First Floor	2,500	170
1	C11	60" Shipping Belt from Workhouse to Dock	2,500	1,226
1	C12	60" Shipping South Shuttle Belt	2,500	232.5
1	C13	60" Shipping North Shuttle Belt	2,500	232.5
1	C20	42" Barge Receiving Belt	1,000	345
1	C21	42" Car Dumper Belt	900	82
1	C22	42" Car Dumper Belt	900	96
1	C23	24" Truck Dumper Belt	215	72

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u> (tph)	<u>LENGTH</u> (ft)
1	C24*	36" Track Hopper Belt	300	52
1	C31	36" West Storage Base- ment Belt	1,000	300
1	C32	36" Center Storage Basement Belt	1,000	300
1	C33	36" East Storage Base- ment Belt	1,000	300
1	C34	36" South Basement Shuttle Belt	600	108
1	C35	36" North Basement Shuttle Belt	600	118
1	C36	36" Belt from Steel Tanks to Storage Basement	600	150
1	C37	36" Belt at Steel Tanks	600	150
1	C38	36" Belt at Steel Tanks	600	330
1	C39	36" Belt from Steel Tanks to Storage Basement	600	150
1	C40	36" Belt at Steel Tanks	600	330
1	C41	36" Belt at Steel Tanks	600	330
1	C51	42" Tripper Belt West Storage Cupola	1,000	270
1	C52	42" Tripper Belt Center Storage Cupola	1,000	270
1	C53	42" Tripper Belt East Storage Cupola	1,000	270
1	C54	36" Belt Storage to Steel Tanks	600	210
1	C55	36" Belt on Top of Steel Tanks	600	195
1	C56	36" Belt on Top of Steel Tanks	600	195

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u> (tph)	<u>LENGTH</u> (ft)
1	C57	36" Belt on Top of Steel Tanks	600	195
1	C58	36" Belt Storage to Steel Tanks	600	210
1	C59	36" Belt on Top of Steel Tanks	600	195
1	C60	36" Belt on Top of Steel Tanks	600	195
1	C61	36" Belt on Top of Steel Tanks	600	195
1	C62	Conveyor to Flour Mill	?	?
1	B71	25/21 Buhler-Miag Conveyor Workhouse Transfer Floor	1,000	102
1	B72	25/21 Buhler-Miag Conveyor Workhouse Transfer Floor	1,000	86
1	B73	25/21 Buhler-Miag Conveyor Weigh-back from C10 to L3	1,000	34
1	A80*	24" Ø Screw Conveyor Car Receiving	300	35
1	A81*	24" Ø Screw Conveyor Car Receiving	300	10
1	A82	6" Ø Screw Conveyor Screenings	2	12
1	A83	9" Ø Screw Conveyor Screenings	10	90
1	A84	9" Ø Screw Conveyor Carter Disc	20	10
1	A85	9" Ø Screw Conveyor Carter Disc	20	37

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u> (tph)	<u>LENGTH</u> (ft)
1	A86	9" Ø Screw Conveyor Screenings	10	25
1	A87	9" Ø Screw Conveyor Screenings	10	38
1	A88	18" Ø Screw Conveyor Eureka 15-15	150	27
1	A89	12" Ø Screw Conveyor Washer Feed	50	20
1	A90	24" Ø Screw Conveyor Carter Disc	300	125
1	A91	12" Ø Screw Conveyor Screenings in Cupola	20	100
1	A92	24" Ø Screw Conveyor Car Loadout	275	146
1	A93	20" Ø Screw Conveyor Storage Cupola	215	95
3		42" Automatic Trippers in Storage Cupola	1,000	---
3		Belt Scales on Conveyors C31, C32 and C33	1,000	---
1		Belt Scale on Conveyor C10	2,500	---
2		Traveling Gantry Shiploaders	2,500	---
4		Automatic Samplers Dividers and Pneumatic Conveying Systems	1,000	---
1		Automatic Sampler, Divider and Pneumatic Conveying Systems	900	---

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u> (tph)	<u>LENGTH</u> (ft)
1		Automatic Sampler, Divider and Pneumatic Conveying System	300	---
1		Eureka 15-15 Cleaner	150	---
1		18Q Cleaner*	120	---
4		Washers	25	---
1		Carter Disc Cleaner	40	---
1		Car Dumper	900	---
1		Truck Dumper	215	---
3	S1, S2, S3	Two Unit Automatic Scales	1,000	---
1	S8	Two Unit Automatic Scale	215	---
1	S7	Two Unit Automatic Scale	300	---
1	S5	Three Unit Automatic Scale	1,000	---
1	S6	Three Unit Automatic Scale	900	---
1	MCB	Main Control Board Automation	---	---
1		Passenger Elevator	---	---
2		Man Lifts	---	---
2		Hydraulic Systems (Controls)	---	---
2		Air Compressor Systems	---	---
8		Shovel Machines - Steel Tanks	---	---

<u>QTY.</u>	<u>DESIGNATION</u>	<u>DESCRIPTION</u>	<u>CAPACITY</u>
1	System #1	Cars and Truck Dust Collection System	35,200 scfm
1	System #2*	Steel Tanks Dust Collection System	23,700 scfm
1	System #3	Cleaners Dust Collection System	23,600 scfm
1	System #4	Dust Transfer System	---
1	System #5	Upper Workhouse Dust Collection System	36,750 scfm
1	System #6	Workhouse Basement Dust Collection System	35,750 scfm
1	System #7*	Storage Cupola Dust Collection System	28,000 scfm
1	System #8	Storage Basement Dust Collection System	38,250 scfm
1	System #9	Transfer Point at Dock Dust Collection System	12,500 scfm
1	System #10	South Gantry Dust Collection System	18,000 scfm
1	System #11	North Gantry Dust Collection System	18,000 scfm
2	System #12	Dust Transfer Systems From Gantry Filters to System #9	---
1	System #13	Dust Transfer System From System #9 Dust Bin	---

* May be eliminated or modified depending upon economic and industry condition. None of these items are essential to the operation of the Facility as a Public Grain Elevator.

CARGILL LEASE - TERMINAL #4

I. Plan Requirements

A. Conformance to Standards

The development of the site shall conform to the standards of the Port of Portland and other appropriate governing bodies such as the Multnomah County, and City of Portland, and Oregon State Department of Environmental Quality.

B. Submittal of Plans

1. All plans and correspondence concerning submission of plans shall be made to The Port of Portland's Property Management Representative. The following sections outline those materials which are to be submitted to the Port.

2. Caution should be exercised not to proceed with final plans or construction until approval has been received from the Port.. Commencement of construction will be permitted only after approval of the final plans, issuance of a building permit by the proper local jurisdiction, and execution of the Warranty Deed or delivery of the lease document.

C. Notice to Proceed

The Port will issue a Notice to Proceed only after approval of final plans and specifications, issuance of a building permit by the proper local jurisdiction, and execution of the Warranty Deed or delivery of the lease document.

D. Future Remodeling and Additions

Plans shall be submitted to the Port for any construction, remodeling, alterations, or additions undertaken. Approval by the Port shall not relieve the lessee of his obligation to obtain the necessary permits for alteration or construction.

II. Standards for Development

A. Buildings and Structures

All buildings and structures shall be designed by an architect or engineer registered in the State of Oregon.

B. Signs

1. All signs are subject to Port approval prior to installation.
2. No flashing or rotating signs will be permitted.
3. Building Signs

Signs on roofs, fences or painted on exterior faces of buildings are prohibited. Signs may be placed upon the outside walls of the buildings, but shall not extend above the eave or parapet of that wall and shall not exceed in size five percent (5%) of the wall upon which they are placed. Signs shall not be placed or externally illuminated in a manner which is detrimental to neighboring occupancies or to the safe movement of traffic. Sign colors and details shall be submitted to the Port for approval prior to installation.

4. Free-standing Signs

No free-standing advertising signs or billboards will be permitted except a single identification sign approved by the Port. Signs shall conform to the appropriate jurisdiction's ordinance or code and in general shall not exceed 10 feet in height or 40 square feet in surface area.

Directional signs, such as "enter", "shipping", etc. are allowed adjacent to each driveway, but shall not exceed 4 feet in height or 10 square feet in surface area.

5. Building Materials

Materials shall be appropriate for the use and for the structure in which they are used. The type, style and color of all exterior wall material shall be submitted to the Port for approval. Trailers, mobile offices and other temporary structures will not be allowed except for use during construction.

III. Performance Standards

A. Property Use

The buildings and other facilities erected on the site and the uses to which the site is put, shall comply with the laws, statutes, regulations, ordinances, and rulings of the State of Oregon and other governing agencies having jurisdiction. The site is within the City of Portland and is zoned M-1, general manufacturing. All uses are permitted on the site which are also permitted in that zoning classification. No retail use will be made of any portion of the site unless specifically approved by the Port of Portland.

The buildings and other facilities comprising the development shall comply with the site use plan as approved by the Port of Portland. Any subsequent changes in use shall be subject to the approval of the Port of Portland.

B. Air Pollution

1. Smoke

The emission of smoke from any chimney, stack, vent, opening or combustion process shall not be permitted except in conformity with applicable rules and regulations of the Department of Environmental Quality, State of Oregon.

2. Open Burning

No open burning will be permitted

3. Odors

The emission of offensive odors in such quantities as to be readily detectable at any point beyond the property line is prohibited. Noxious, toxic and corrosive gas emissions shall be treated by full control techniques.

4. Particulate Matter

The rate of emission of particulate matter from all sources shall be within the requirements of the State of Oregon, Department of Environmental Quality.

C. Vibration

No vibrations which are discernible without instruments other than that caused by highway vehicles, trains or aircraft shall be permitted beyond the property line of the use concerned.

D. Heat and Glare

All operations producing heat or glare, including exterior lighting, shall be conducted so that they do not create a nuisance beyond the property line of the site.

E. Waste Material

All material, including wastes, shall be stored and all properties maintained in a manner which will not attract or aid the propagation of insects or rodents or in any way create a health hazard.

F. Water Pollution

No liquid waste disposal will be allowed on the site or into adjacent drainage ditches, sloughs or other waterways. The discharge of treated or untreated sewage or wastes into the sanitary sewer systems shall conform to the codes and ordinances of the appropriate local jurisdiction.

G. Noise

The applicant shall conform to all state and local noise ordinances and regulations.

H. Handling of Dangerous Materials

The storage, handling and use of dangerous materials such as flammable liquids, incinerary devices, compressed gasses, corrosive materials and explosives shall be in accordance with the regulation and codes of the appropriate local jurisdiction, the State Fire Marshal and the National Fire Protection Association.

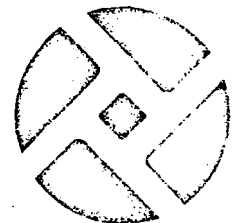
IV. Variance Requests

The Port recognizes that situations do arise that may warrant exception to the standards. A written request shall be submitted to the Port's Property Management Representative stating the variance requested.

The Port will evaluate the merits of each request on an individual basis.

T-4 0086.PDF

6/15/75-21



July 1, 1975

Port of Portland

Box 3529 Portland, Oregon 97208

503/233-6331

TWX: 910-464 6141 FAX: 504

Carol Hewitt
Lindsay, Mahstoll, Hart,
Dafoe & Krause
1331 S.W. Broadway
Portland, Oregon 97201

CARGILL LEASE DATED JULY 1, 1975

The Port Commission at its special meeting of June 26, 1975 approved entering into a Lease Agreement dated July 1, 1975 with Cargill Inc. for the Terminal 4 grain elevator facility. The terms of this Lease Agreement have been previously negotiated between the parties and are contained in the enclosed 10 copies of the Lease Agreement. These Agreements have been executed by the Port. Would you please have the appropriate corporate officials of Cargill execute the documents and return five copies to my attention.

The Commission also approved extending the terms of the existing Lease Agreement between the Port and Cargill until June 30, 1976 or until the necessary approvals are obtained from the Federal Maritime Commission required to make the lease dated July 1, 1975 effective, whichever occurs first. The only variance in such terms are that the rental from July 1, 1975 through June 30, 1976 shall be \$100,000 and that Cargill beginning July 1, 1975 shall be responsible for carrying all necessary insurance.

Office of the Port Commissioner

Box 3529 Portland, Oregon 97208

2-175

CARG000950

Carol Hewitt
July 1, 1975
Page Two

If this is acceptable to you, please sign below and return a copy of this letter to my attention.


As soon as the executed Leases and this letter are returned, I shall proceed immediately to obtain the aforementioned approvals from the FMC.

Very truly yours,



Lloyd S. Robinson, Director
Marketing Department

APPROVED

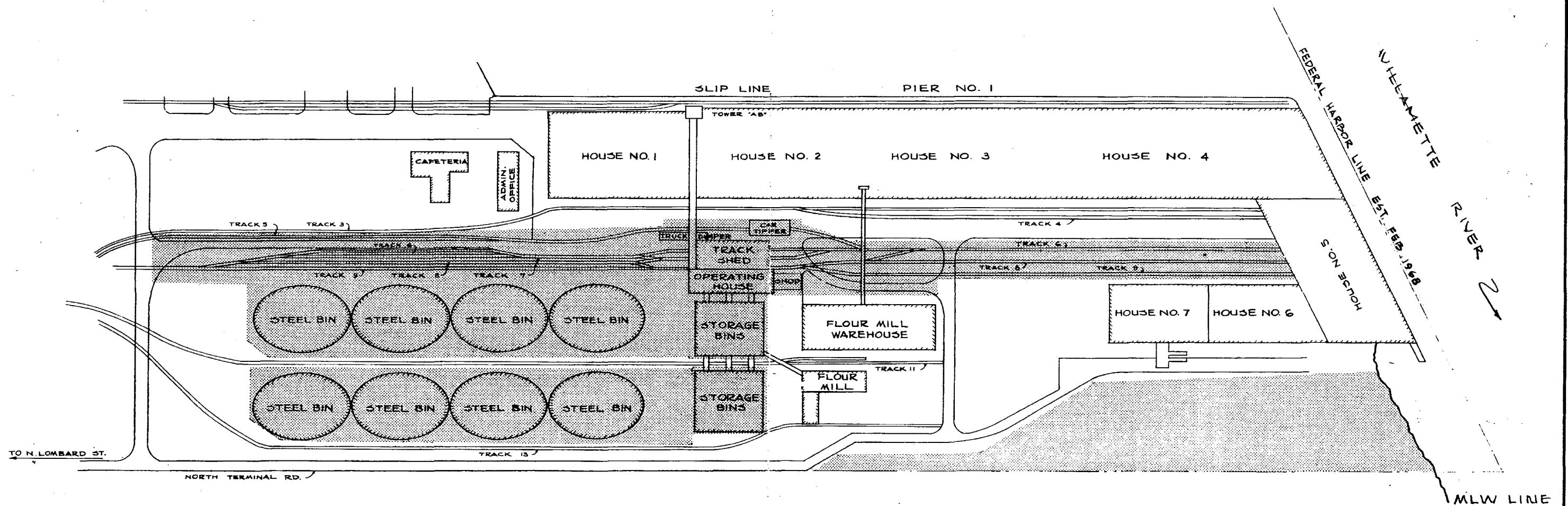

7/2/75
(date)

Enclosure

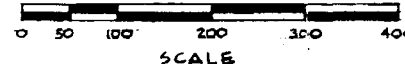
cc: Marion Sledow
Gabe Vallicelli
Bruce Taylor
Alex Parks

CARG000951

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SITE LAYOUT



LAND & FACILITIES LEASED TO CARGILL

NO	DATE	BY	REVISIONS	CK'D	APP'V'D	NO	DATE	BY	REVISIONS	CK'D	APP'V'D



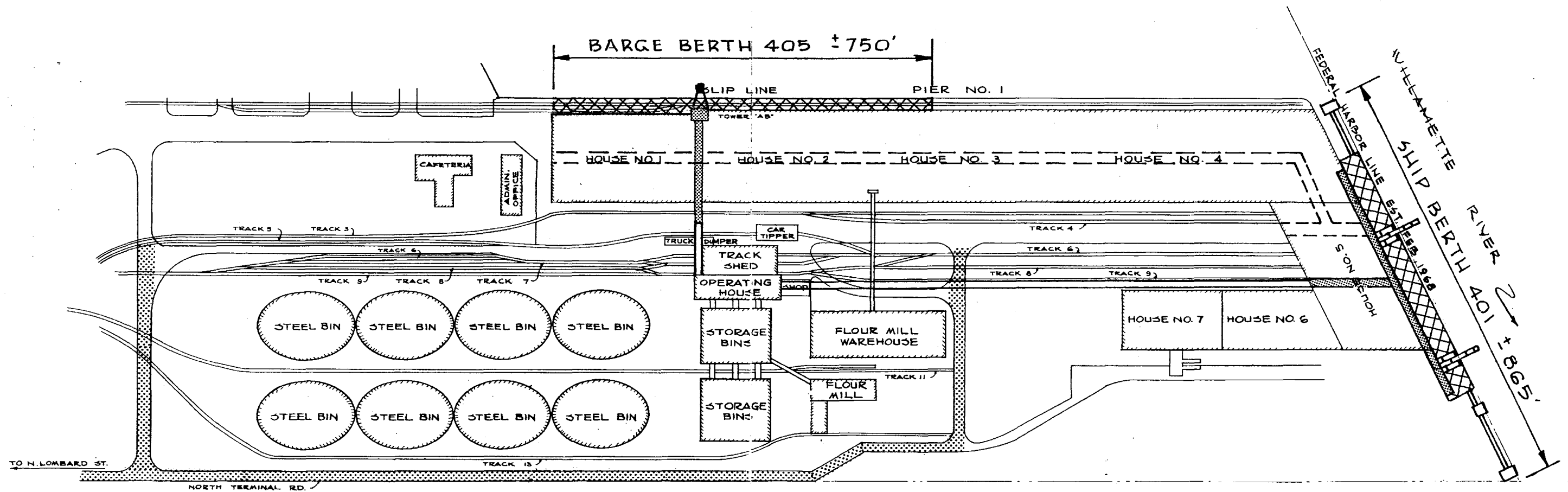
THE PORT OF PORTLAND
PORTLAND, OREGON

PROJECT MANAGER _____

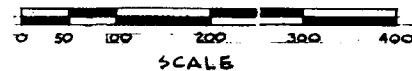
DESIGNED BY B. TAYLOR
 DRAWN BY F. CHUI
 CHECKED BY B. TAYLOR
 DATE AUG 1974
 SCALE GRAPHIC

TERMINAL NO 4
 LEASED LAND AND FACILITIES
 EXHIBIT 'A'

SUBMITTED BY _____ DRAWING NO. T4 74



SITE LAYOUT



- FACILITIES OPERATED & MAINTAINED BY CARGILL ON & OVER PORT PROPERTY & FACILITIES.
- PREFERENTIAL BERTHAGE AND MAINTENANCE TO CARGILL
- JOINT USE ROADWAY-PORT AND CARGILL
- ACCESS DRIVEWAYS TO BERTH FACILITIES

<div> <div> <div> <div>NO</div> <div>DATE</div> <div>BY</div> </div> <div> <div>REVISIONS</div> <div>CK'D</div> <div>APP'D</div> </div> </div> <div> <div>NO</div> <div>DATE</div> <div>BY</div> </div> <div> <div>REVISIONS</div> <div>CK'D</div> <div>APP'D</div> </div> </div>												<p>THE PORT OF PORTLAND PORTLAND, OREGON</p> <p>PROJECT MANAGER</p>		<p>DESIGNED BY: B. TAYLOR</p> <p>DRAWN BY: F. CHAI</p> <p>CHECKED BY: B. TAYLOR</p> <p>DATE: AUG 1974</p> <p>SCALE: GRAPHIC</p>		<p>TERMINAL NO 4 JOINT USE, MAINTENANCE AND PREFERENTIAL BERTHAGE EXHIBIT 'C'</p> <p>SUBMITTED BY</p> <p>DRAWING NO. T4 74</p>	
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VIA FEDERAL EXPRESS

May 2, 2007

Gerald F. George
Phone: 415.983.1056
gerald.george@pillsburylaw.com

Gregory R. Page
Cargill, Inc.
15615 McGinty Road
Minnetonka, MN 55343

Re: Portland Harbor Tolling Agreement

Dear Mr. Page:

We contacted Cargill, Inc. in November of last year on behalf of the Lower Willamette Group ("LWG") regarding the Portland Harbor Superfund site ("Site"). As you will recall, in order to assure protection of contribution rights under state and federal laws, Cargill, Inc. and LWG executed an agreement tolling the operation of the statutes of limitations potentially applicable to such claims.

The LWG, as part of its discussions with a separate group of potentially responsible parties (the "Blue Water Group" or "BWG") concerning the Site, has signed a similar tolling agreement covering both LWG and BWG members. Accordingly, consistent with the intent of all the parties that contribution litigation be deferred during the Site investigation, the LWG requests that you, on behalf of Cargill, Inc., extend the application of the LWG/Cargill, Inc. tolling agreement to the BWG parties, who are listed on Attachment A to this letter. If you agree to do so, please indicate your concurrence by signing below and return a signed copy to me.

If you have any questions, please contact me at (415) 983-1056. Your cooperation is greatly appreciated.

Very truly yours,

Gerald F. George

cc: ~~Kim Thorstad~~, Legal Department

Reviewed and terms accepted by:

Company: Cargill
Name: Doug Dunlay
Title: Vice President
Date: 7/11/07
Signature: [Signature]
Authorized Representative

Attachment A

Blue Water Group Parties:

1. Atlantic Richfield Company
2. Beazer East, Inc.
3. Brix Dearmond, LLC
4. Brix Maritime Co.
5. Calbag Metals Co.
6. CertainTeed Corporation
7. HAJ, Inc. (dba Christenson Oil)
8. Crawford Street Corporation
9. ExxonMobil Corporation
10. FMC Corporation
11. Front Avenue Corp.
12. Gould Electronics Inc.
13. Hendren Tow Boat Co., Inc.
14. Langley-St. Johns LLC
15. McCall Oil and Chemical Corp.
16. NL Industries, Inc.
17. Northwest Pipe Company
18. Schnitzer Investment Corp.
19. Schnitzer Steel Industries, Inc.
20. Shaver Transportation Co.
21. Shell Oil Company
22. Tube Forgings of America

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Oregon

Theodore Kulongoski, Governor

Department of Environmental Quality

Northwest Region Portland Office

2020 SW 4th Avenue, Suite 400

Portland, OR 97201-4987

(503) 229-5263

FAX (503) 229-6945

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August 25, 2006

Ms. Nicole Anderson
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Draft Remedial Investigation Report and Storm Water Evaluation
Terminal 4 Slip 1
ECSI #2365

Dear Ms. Anderson:

The Department of Environmental Quality (DEQ) reviewed the March 2006 *Draft Remedial Investigation (RI) Report* for the Port of Portland (Port) Terminal 4 Slip 1 (T4S1) site and the June 2006 *Draft Storm Water Evaluation* for the Terminal 4 Slip 1 and Slip 3 sites and has the following comments.

Draft RI (Slip 1)

General Comments

1. DEQ agrees that significant sources of groundwater contamination were not found at the site. However, the Port's conclusion that there are no groundwater plumes appears to be based on data from groundwater monitoring wells only, and should also include data from reconnaissance samples.
2. The DEQ's *Joint Source Control Strategy* (JSCS) requires that probable effect concentrations (PECs) be used to screen analytical results for erodible soil (less than 1-foot below ground surface [bgs]) situated within 100 feet of a catch basin and/or the top of the river bank, or on the riverbank. DEQ understands that given the approach being used to assess facility storm water, the Port disagrees with the applicability of these screening criteria for soil in the vicinity of storm water catch basins. However, to date DEQ has not approved the Port's storm water sampling and data evaluation methodology. In addition, for chemicals considered to be persistent bioaccumulative toxins, erodible soil and catch basin data should be compared to DEQ's 2001 bioaccumulative sediment screening level values. For your information, DEQ has recently required PCB and phthalate analyses for all storm water sediment evaluations performed at sites in the Portland Harbor.
3. The Draft RI Report does not include a Conceptual Site Hydrogeologic Model (CSHM) for T4S1. In addition, descriptions of the facility geology and hydrogeology (i.e., sections 5.1.2

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Section 4.3. The Draft RI Report should note and discuss any deviations and modifications to field procedures and/or the scope of work approved in work plans if appropriate. Alternatively the report should clearly state that work was completed consistent with those work plans.

Section 5.1.3.1. Based on the work completed during the RI DEQ concurs with the Port's conclusion that, "...Gatton Slough is not expected to act as a preferential flow pathway for groundwater." The Port also indicates that no preferential pathways were identified based on the geologic observations made during the RI. DEQ disagrees with this assertion. As noted in the Draft RI Report, DEQ has previously indicated that in addition to Gatton Slough, sand-filled channel(s) and/or storm water conveyance piping could act as preferential pathways at T4S1. DEQ identified evaluation of these potential pathways as an information need for the RI. In a letter dated August 2, 2004, the Port committed to performing additional work to assess potential pathways if groundwater impacts were identified.

Regarding the sand-filled channel (see Figure 4 of the RI work plan dated August 20, 2004), DEQ understands that:

- Groundwater impacts have been identified (e.g., AOC 15 [Abandoned Cesspools]).
- The Port did not include the feature in the geologic cross-sections provided in the Draft RI Report, apparently due to uncertainty related to the locations of the borings where it was observed.
- It does not appear that the Port conducted additional investigatory work to independently assess the feature. Except for the monitoring well clusters constructed to support the EECA, which were not located on the feature, **exploratory borings and monitoring wells completed during the RI did not extend deeper than 30 feet bgs (i.e., the approximate depth of the top of the sand-filled channel).** In other words, no borings were drilled deep enough to assess the presence, orientation, and depth of this geologic feature.

The Draft RI Report also concludes that buried storm water piping and utilities "...were not evaluated further as preferential pathways based on the absence of plumes of impacted groundwater..." However, the Port's conclusion is not supported or discussed further.

DEQ concludes from the Draft RI Report that further evaluations of the sand-filled channel and selected sections of storm water piping are warranted. Additional evaluation should include:

- The presence, orientation, and depth of the sand channel and potential groundwater impacts, such as from AOC 15, associated with the feature; and
- Providing information for buried storm water piping and utilities including, but not limited to, depths of construction and backfill material types. As-built information should be considered in the context of RI data collected in OUI (e.g., depth to groundwater).

This information will be used to confirm the Port's conclusions and address DEQ's concerns regarding potential preferential pathways for groundwater flow.

Section 5.2. Analytical data is compared to and discussed in terms of the screening criteria identified in Section 4.1.3. Many of the screening criteria are less than the laboratory method reporting limits (MRLs) shown in the data tables. The report should discuss how this data was used for purposes of developing interpretations of the nature and extent of potential soil and groundwater impacts.

Section 5.2.1.1. The Draft RI Report indicates that polycyclic aromatic hydrocarbons (PAHs) exceeded industrial soil PRGs in OU1 at several locations including between 13 feet and 17 feet bgs at AOC 15 (i.e., soil borings 22 and 23), and in shallow soil between a series of storm water catch basins (i.e., soil samples S-7, S-12, and S-13).

The DEQ's general comment regarding PECs is applicable to the data collected in the vicinity of catch basins. It should also be noted that PECs for numerous chemicals (e.g., benzo[a]pyrene, benzo[a]anthracene, indeno[1,2,3-cd]pyrene) were exceeded in certain surface soil samples.

At AOC 15 the Port indicates that, "...the PAH-impacted soil in the vicinity of the former cesspools is limited in extent and below a depth of 13 feet." DEQ considers another interpretation of the data to be valid. Analytical data from SB-22 and SB-23 could suggest that: 1) concentrations of PAHs increase with depth, and 2) contamination extends to depths greater than 17 feet bgs. The former cesspools appear to be over the sand-filled channel discussed under DEQ's comment to Section 5.1.3.1. The groundwater gradient in the sand-filled channel likely has a western component. There appear to be few, if any, soil borings located west of SB-22 or SB-23 on or near the interpreted axis of the sand-filled channel, and, as mentioned above none the soil borings extend below the top of the feature. DEQ considers the lack of information about the sand-filled channel to be a data gap for the RI. DEQ expects the Port to develop an approach for further evaluating this geologic feature and the nature and extent of contamination associated with AOC 15.

The report indicates that with regard to metals, "None of the detected metals concentrations exceeded industrial PRGs." This should be revised to acknowledge that at least arsenic exceeds industrial soil PRGs in numerous soil samples.

Section 5.2.1.2. The report should be revised to acknowledge that at least arsenic was detected in concentrations that exceeded industrial soil PRGs.

Section 5.2.2.1. The Port indicates that, "...there are no plumes of COIs at OU1..." The description of volatile organic compounds (VOCs) data appears to contradict this statement. According to the report the detected concentrations of certain VOCs exceed screening criteria at monitoring wells MW-22 and MW-23 located near the northern property line. The report also indicates that these VOCs were detected at lower concentrations downgradient at MW-3s, suggesting a VOC plume occurs in OU1. Based on site investigation results from the neighboring NW Pipe Site, the DEQ agrees with the Port's suggestion that VOCs detected at MW-22 and MW-23 originate from an off-site source based. The Port should provide DEQ with information to support application of the "Contaminated Aquifer Policy."

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pesticide use

Arsenic was detected at numerous monitoring wells above human health screening criteria (i.e., the Fish Consumption SLV). The Port suggests the data is consistent with data collected at other riverfront sites, but provides no supporting documentation. Figure 20 should be revised to include arsenic data for DEQ's information and completeness.

Section 5.3.2.2. In our letter dated July 20, 2005, DEQ requested that catch basin samples be collected and analyzed to assess residual concentrations of pesticides, if any. The Port declined, indicating the data would not be representative of historic activities because the catch basins are routinely cleaned out, and sediments are removed and properly disposed. DEQ requests copies of the catch basin data used to characterize the material for disposal.

coal tar derivative (Insecticide)

Section 7.2.1.1 and Table 7B. The SLV for dibenzofuran is critical to the ecological risk assessment. If the Port wants to conduct a current evaluation of the basis for the dibenzofuran toxicity factors, DEQ will be open to a re-examination of the SLV for this project.

Section 7.2.1.1 and Tables 30 and 31. To be protective of benthic organisms in the groundwater discharge to surface water pathway, the DEQ does not typically consider dilution of groundwater contaminants. Dilution should not be included in comparison to screening levels (see Section 5.2 of the JSCS). However, considering such dilution can be incorporated as one aspect in a weight-of-evidence risk management evaluation. The groundwater discharge to surface water pathway should also recognize and evaluate the planned actions as part of the Terminal 4 Early Action Project (e.g., groundwater discharge into confined disposal unit, capped, or dredged areas).

Within Portland Harbor, the DEQ is not conducting a traditional risk assessment of the groundwater/river exposure pathways. The JSCS requires the comparison of upland contaminant concentrations in groundwater to the JSCS SLVs. Based on the JSCS screening, DEQ will prioritize the site and migration pathway as high, medium or low priority for source control. Medium priority sources will either become dormant until the in-water project provides direction as to the significance of the source, or additional investigation or risk evaluation conducted to determine if source control is warranted. The weight of evidence evaluation presented in this section is appropriate for a medium priority source such as the subject site.

Table 4. The table should be revised to include a column that provides the reconnaissance groundwater sample collection depth interval.

Table 7A. Detected concentrations and MRLs for dibenzofuran are exceeded in the table and are not highlighted. The tables should be reviewed, checked for accuracy, and revised appropriately.

Table 7B. The MRL for many samples (e.g., SB-70 through SB-78) are elevated above screening criteria. This data should be reviewed and the Port should discuss what, if any, influence this has on data interpretations for OU1 and OU2.

Table 16A. VOCs are detected in groundwater, so a screening for the volatilization to indoor air pathway should be conducted. The VOC concentrations are low, but this comparison needs to be made in relationship to RBCwi values.

Tables 20A through 26B. Reconnaissance groundwater sample collection depth intervals should be provided in the tables for purposes of comparing data between borings and completeness.

Table 27. The values in the table should be explained as cancer risk values. The use of this modified screening approach (90% UCL combined with CTE values) was explained to DEQ prior to submittal of the draft RI report. DEQ did not approve or object to the approach at that time, but has since decided that such a screening approach is not acceptable. However, DEQ recognizes that the exceeding of conservative screening values is marginal. To address this issue, DEQ proposes that soil concentrations be evaluated based on smaller exposure units that would be appropriate for an industrial site. This could allow us to focus on the smaller areas with higher soil concentrations, and not the larger areas with lower soil concentrations.

The 90%UCL on the mean concentration of ^{found in coal tar, product of incomplete combustion (no use listed in book)}benzo[a]pyrene in OU2 is 2.1 mg/kg (Table 28), which is ten times the industrial soil PRG of 0.21 mg/kg. This means that there is a potential soil hot spot in this operable unit. Dibenzo[a,h]anthracene is the only other PAH to have the 90% UCL exceed the PRG.

Figure 21. Arsenic data should be shown in the figure as the detected total and dissolved concentrations exceed screening criteria.

Figures 2 and 3. These figures utilize different reference elevations for the boundary of OU1 (1.7 feet CRD) and OU2 (3.4 feet NGVD). The two figures should be reconciled and the Draft RI Report figures should be reviewed and revised for consistency.

Figures 8, 9, and 10. The T4S1 RI focuses on the Fill Unit and the upper Alluvial Unit. The geologic cross sections should illustrate the Port's interpretation of the relationship of these units beneath the facility (e.g., thickness, horizontal extent, depth of contact, contact relationships).

Figure 11. The boundary of OU1 and OU2 along the Willamette River is intended to correspond approximately with the shoreline of the facility. The equipotential contours shown on this figure appear to extend into the river. The figure should be reviewed and revised as appropriate. This comment also applies to many of the figures included in Appendix D.

Figure 12. This figure references other figures that provide soil data for selected portions of OU1 and OU2. The figure should be revised to indicate that OU1 and OU2 data are shown by Figure 13 and Figure 14 respectively. The figure numbers for the report should be revised accordingly.

Figures 13, 14, 16, and 18. For completeness, the tables nested in these figures should include PECs for the analytes listed.

Figure 16 and Figure 18. It is unclear how "background" metals values were selected from the cited reference (i.e., the values do not appear to be internally consistent). For example, DEQ's review of the cited reference suggests the "90% percentile value" for lead in Clark County, Washington is 17 mg/kg, but tables and figures use 24 mg/kg (see <http://www.ecy.wa.gov/pubs/94115.pdf> for a correction to the cited reference table by the authors). Industrial soil PRGs for metals should be added to the figures to be consistent with the text of the Draft RI Report (see Section 4.1.3) and for completeness.

Figure 16. The references to related figures should be revised. Lead data for soil borings SB-77 and SB-78, and surface soil samples S-20 through S-22 are shown on Figure 17. The results of analyzing composite riverbank surface soil samples for metals are shown by Figure 18.

Figure 17. Screening criteria for lead in soil should be provided for DEQ's information, or the figure should indicate that relevant criteria were not exceeded by the samples shown.

Figure 19. Inhalation of volatiles from groundwater should be considered as a complete pathway given the presence of HVOCs in groundwater.

Figures 20 and 21. The text indicates that screening criteria for certain VOCs (e.g., tetrachloroethene) were exceeded at monitoring wells MW-22, MW-23, and MW-3s. This data is not included on the figures which should be revised as appropriate.

PERC; dry cleaning, degreaser; is in paint & spot removers aka PERC, PCE

Appendix A – Risk Assessments

Section 2.7.3. Preventing adverse effects on survival and growth are noted as goals, but effects on growth should be included in the "candidate assessment endpoint" bullets. Exposure point concentrations are calculated using all the data in each operable unit. Because of the large areas of essentially no ecological habitat, it would be more relevant to focus on the chemical concentrations present in the small areas of habitat, such as the river bank (see Figure 2.8-1).

Section 2.9.1 and Tables 3.11-5 and -6. In the first paragraph, there is a statement that "total concentrations probably do not represent the fraction in groundwater that will ultimately be transported to the river." This is not necessarily the case. DEQ typically requires analysis of unfiltered samples for metals because of the concern that chemicals can be transported on colloids (greater than 0.45 microns) in groundwater.

In the last paragraph, there is a statement that "no aquatic organisms in the Willamette River would be exposed to undiluted groundwater." This is true for many organisms in the water column, such as most fish, but benthic organisms are exposed to transition zone water that may contain chemicals in concentrations similar to that in groundwater. Without a specific study of transition zone water, DEQ will assume that groundwater concentrations in monitoring wells in the downgradient portion of the site are representative of concentrations in transition zone water. Also, benthic organisms are considered to be immobile, and therefore averaging of groundwater

concentrations is not appropriate. For protection of benthic organisms, downgradient groundwater concentrations in individual monitoring wells should be compared directly to screening values. In most cases, it will not be possible to consider upper confidence levels on the arithmetic mean, so maximum concentrations should be used. Also, DEQ's ecological risk assessment guidance was revised in February 2005 to clarify that it is not appropriate to multiply water screening values by 5 to obtain screening values for non-threatened and endangered species, including mobile receptors such as fish. Given these considerations, the CPEC exceedances (for instance, as shown on Figure 2.8-2) indicate potential threats to benthic and water column organisms.

In addition to the issues discussed above, there are other factors that are appropriate for consideration in the in-water risk assessment, and some of these were presented in the report. However, a comprehensive risk assessment should include the results of additional in-water data, including sediment sampling and bioassays. For this reason, it appears premature to reach a final conclusion at this time regarding in-water risks and expects that this matter will be resolved in the EPA/LWG in-water risk assessment.

See comment on RI Section 7.2.1.1 concerning groundwater dilution and evaluating in-water risk.

Section 2.9.3. The focus on the river bank is appropriate. However, it is not acceptable to consider bank stabilization as the primary remedial alternative and not address the issue of the potential impact of chemicals in bank soil to upland receptors. Bank stabilization to prevent erosion to sediment may not necessarily address pathways to upland receptors.

Section 3.11.1. The modified screening using CTE values is presented here. An alternative approach should be presented, as discussed in the comment to Table 27.

Table 3.10-6. The source of the PRG value of 23,000 mg/kg for residual oil needs to be presented.

Table 3.10-8. Human health screening is for fish consumption only (not drinking water consumption).

Table 3.11-1. See comment on Table 27 regarding the use of a modified screening approach.

Table 3.11-4. The CTE values use an inhalation rate of 15 m³/day. Use of this value (or any value other than EPA's default values of 20 m³/day) requires the adjustment of inhalation toxicity values that were converted to doses (mg/kg/day) or slope factors (mg/kg/day)⁻¹ using an inhalation rate of 20 m³/day. It would be simpler to use EPA's default inhalation value of 20 m³/day.

Figure 2.8-1. This figure shows location of samples exceeding upland ecological screening levels. This information can be combined with habitat location to identify the specific areas of potential ecological concern.

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Level I Scoping form. The cumulative percentages of habitat do not total to 100 percent. The majority of the site should be considered ruderal or otherwise indicated as unsuitable as ecological habitat.

Appendix B-1e and B-1j. Plants are evaluated using a 90% UCL on the mean instead of the maximum value. As pointed out in the text, DEQ guidance specifies that plants should be evaluated using the maximum soil concentration because plants are not mobile.

Photographs. The photographs of the north side of Slip 1 indicate potential ecological habitat.

Draft Storm Water Evaluation (Slips 1 and 3)

General Comments

DEQ's concerns about the Port's storm water evaluation approach, described in our July 20, 2005 letter, remain unresolved. The upland RI must identify potential source areas that result in storm water contamination (e.g., erodible soil) so that source control measures can be evaluated. This storm water evaluation was conducted as part of the T4 Early Action Recontamination Assessment and did not incorporate information gathered as part of the upland RI. DEQ expects the storm water evaluation to be based on the areas of concern and surface soil data presented in the RI.

Storm water data presentation, discussion, and analysis are inadequate. The analytical results from the initial sampling work are provided but are not discussed in terms of the data collection objectives (i.e., assess differences between basins exhibiting a range of sizes and paved areas). Furthermore, there is no discussion of how the sediment data and/or storm water analyses were interpreted or used in developing the scope of work for additional storm water sampling at the facility.

Based on the data compiled in Table 4, DEQ concludes there is evidence that the storm water contaminant pathway is complete. Detected concentrations of contaminants of interest in certain samples (e.g., Basin L) exceed criteria listed in the JSCS applicable to storm water solids. In the case of Basin L, detected concentrations of numerous PAHs in the solids component of storm water exceed probable effect concentrations for sediment.

The Port has recommended additional storm water sampling at the site including in-line sediment and "whole" storm water sample sampling and analysis. Whole sample storm water data must be compared to relevant storm water criteria in the JSCS. In addition, the report will provide an analysis of potential sources of contaminants of interest detected in storm water for each drainage basin as appropriate (e.g., analytical data for erodible soil within 100 feet of a catch basin).



Specific Comments

Section 1. The Port should clarify the status of basin 52-C. Regardless of whether the basin is within the T4 Slip 1 or Slip 3 boundaries, discharge from the basin presents a recontamination potential and must be assessed. If recontamination potential for areas outside the Slip 1 or Slip 3 boundaries is to be completed as a separate phase of work, the Port should reference that proposal in this document.

It is not clear which outfall 52-C or O-SJ17PP is in Appendix A, Figure 4 and the associated text that the Port doesn't know. The Port should coordinate with the City of Portland to ensure that the outfalls are correctly identified.

Section 2.2. Please provide a table detailing the frequency or schedules for the following referenced activities:

- Storm water conveyance system inspection, cleaning, and maintenance work;
- Deployment and maintenance of catch basin inserts; and
- Sweeping of impervious surfaces.

Section 4.3.1. DEQ understands that the objective of the sediment sampling program was to collect representative samples for the three to four month period of sampler deployment. DEQ requests additional information regarding the following potential limitations of the sampling methodology.

- The sample container volume would appear to limit the quantity of sediment that can be collected in basins producing appreciable quantities of sediment. In these cases it seems that samples would be biased towards sediment generated by storm water events occurring soon after container deployment (i.e., the container become less efficient at trapping sediment the more sediment accumulates).
- The report does not indicate the traps were checked during their deployment. If this is the case, and there is the potential for the 1st bullet to occur, there is uncertainty as to the period of time sediment accumulated in the sample container.

DEQ considers these comments relevant to any future storm water sampling work conducted at the site.

Section 4.2. Appendix A includes numerous references to "Basin C." It appears that samples were collected from the basin, however the it is not mentioned in the body of the report. Basin C information may have been excluded because it is not part of the Terminal 4 Slip 1 or Slip 3 investigation areas. Please clarify this in the report.

Section 4.4. DEQ's general comment is applicable to this section.

Section 5.1. Contaminants of interest should also include diesel-range and oil-range petroleum hydrocarbons and phthalates (see storm water fact sheet at: <http://www.deq.state.or.us/nwr/PortlandHarbor/06NWR022.pdf>).



Section 5.3.1. The report acknowledges the potential that insufficient sample volume may result in incomplete sample analysis. However, corrective action is not proposed to address this scenario. **DEQ expects that corrective action(s) be identified so that the data collection objectives of sampling program are met given the known limitations of the previous sampling work.** For example, the Port should consider increasing the size/number of containers to increase the volume of the collected sample.

Section 5.3.2. Sample containers should be checked on a routine basis (e.g., after storm water generating events) to visually observe whether the sample container(s) are full. The sampling program should consider how this scenario will be incorporated into the storm water evaluation and the data used.

Section 5.2. Basin N should be added to the list of "Basins of Interest" per DEQ's expectations provided in our letter dated July 20, 2005.

Section 6. The Port should explain why the method of data analysis described in this section of the SWE was not used to evaluate data collected between February and June 2005.

Table 2. The table should be revised to include the depth and elevation to the top and bottom of storm water conveyance system piping. This information is needed to assess the potential for groundwater to infiltrate the conveyance piping.

Figure 6. The proposed sampling locations for basins Q and M exclude portions of the storm water conveyance systems. For example, the Basin Q sample location appears to be located upstream of the entire Cargill Leasehold system. DEQ expects that the sample locations be shifted sufficiently downstream (i.e., towards Slip 1) that inputs from all contributions to the basin conveyance piping system are captured.

Appendix A. An indication of particle size (e.g., gravel, sand, fines) should be provided for the samples collected. The follow-up report should describe whether the material collected is representative of particle sizes of most concern for mass loading (i.e., fines).

Next Steps

Please submit a written response to these comments within 30 days. The DEQ understands that the final RI Report will be submitted after comments have been resolved, but prior to completion of the storm water evaluation (to be submitted as an RI addendum). The DEQ expects that the storm water evaluation, including sampling and analysis of storm water liquid and solids, will be completed during the fall 2006 to spring 2007 wet season.

Ms. Nicole Anderson
August 25, 2006
Page 12 of 12

Please call me at (503) 229-5326 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Gainer". The signature is fluid and cursive, with the first name "Tom" being more prominent than the last name "Gainer".

Tom Gainer, P.E.
Project Manager
Portland Harbor Section

cc: Anne Summers, Port
Amanda Spencer, Ash Creek
Dana Bayuk, Mike Poulsen, and Tom Roick, DEQ NWR

T-4 0092.PDF

David, Sheila

From: David, Sheila
Sent: Wednesday, October 12, 2005 9:21 AM
To: Maitland, Kristi; **Dennis Klein (Dennis_Klein@cargill.com)**; Kimberly Thorstad (kimberly_thorstad@cargill.com); Breen, David; Koehl, Krista; Summers, Anne; Teeter, Robert (Bob)
Subject: Terminal 4 Slip 1 Remedial Investigation Phase I Data Summary Report - Errata

Attached please find the Errata for the Remedial Investigation Phase I Data Summary Report for the Terminal 4 Slip 1 Upland Facility (Errata), which was sent to Tom Gainer at the Oregon Department of Environmental Quality (DEQ) on October 5, 2005. The Errata was transmitted directly to DEQ by the Port's consultant, Ash Creek Associates. Hard copies to follow by mail to Cargill. If you have any questions, please contact Kristi Maitland at (503) 944-7323. Thank you.



T4S1 Phase I Data
Summary Repo...

Sheila David
Administrative Coordinator, Lower Willamette Program
Environmental Affairs, Port of Portland
121 NW Everett, Portland, OR 97209
Phone: 503.944.7239 / Fax: 503.944.7353
sheila.david@portofportland.com (**please note new email address**)



Ash Creek Associates, Inc.

Environmental and Geotechnical Consultants

October 5, 2005

Ms. Kristi Maitland
Port of Portland
121 NW Everett
Portland, Oregon 97209

Re: Errata for Phase I Data Summary Report
Terminal 4 Slip 1
ECSI No. 2365

Dear Ms. Maitland,

This letter presents errata to the *Phase I Data Summary Report* (dated August 2, 2004) for the Terminal 4 Slip 1 Upland Facility (the Facility). The Phase I Data Summary report was prepared by Hart Crowser to summarize data collected during the first phase of the Remedial Investigation of the Facility. Errata in the reported analytical data for location MW-16 were identified by Ash Creek Associates (ACA) during the development of the Remedial Investigation Work Plan Addendum for Phase III Work Scope, Terminal 4 Slip 1 Upland Facility ("Phase III Work Scope").

CARG000972

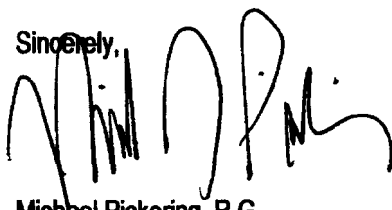
Amended Information

Replacement pages for the Phase I Data Summary Report are included in Attachment A. This includes Page 11 of the body of the report and Tables 3 (PCBs) and 5 (Pesticides). Copies of the final analytical laboratory data sheets are included in Attachment B.

The corrected soil sample results indicate that no PCBs or pesticides were detected above the applicable screening criteria.

If you have any questions, please call the undersigned or Amanda Spencer at 503.924.4704 ext. 106 or ext. 104, respectively.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Pickering', written over the word 'Sincerely,'.

Michael Pickering, R.G.
Project Hydrogeologist

Cc: Anne Summers, Port of Portland
Krista Koehl, Port of Portland
Bob Teeters, Port of Portland
Tom Gainer, Oregon DEQ
James Beaver, BBL
Mark Lewis, Newfields

Attachments:

- A Phase I Data Summary Report Replacement Pages
- B Final Analytical Laboratory Data Sheets

Attachment A

**Phase I Data Summary Report
Replacement Pages**

(EPA, 2002a). Ecological screening levels included on the Tables are the DEQ screening level values (SLVs) for terrestrial receptors (DEQ, 2001).

5.1.2 TPH Results

OU2. Soil samples were collected from AOC #72 and MW-16. TPH was detected in all samples collected from AOC #72. Soil TPH results are listed in Table 2.

5.1.3 PAH Results

OU2. Soil samples were collected from AOC #72 and MW-16. PAHs were detected at low to trace concentrations in all collected soil samples. Soil PAH results are listed in Table 2.

5.1.4 PCB Results

OU1. Two soil samples were collected from OU1 (MW01s-2.0-1 and duplicate sample MW01s-2.0-2). No PCBs were detected. Soil PCB results are listed in Table 3.

OU2. One soil sample was collected from OU2 (MW16-0.5-1). One PCB (Aroclor 1260) was reported at a concentration of 0.022 mg/kg. Soil PCB results are listed in Table 3.

5.1.5 Metals Results

OU2. Priority pollutant metals were detected in all 15 samples at the concentrations shown in Table 4. Background levels are also presented in Table 4.

5.1.6 Pesticide Results

OU1. One sample was collected from OU1 (MW16-0.5-1). Six pesticides were detected at low level concentrations. Pesticide results for the groundwater sampling are listed in Table 5.

5.2 Groundwater Screening Criteria and Analytical Results

5.2.1 Screening Criteria

Human health screening levels for groundwater shown in the tables are the federal ambient water quality criteria (AWQC) for the protection of human

Table 3 - PCB Concentrations Detected in Soil
Phase I Data Summary Report
T4S1 Upland Facility Remedial Investigation

Sample ID	Sample Depth (ft bgs)	Date	Aroclor 1260 mg/kg
OU1			
<i>MW01s-2.0-1</i>	2	04/06/2004	<0.051
<i>MW01s-2.0-2</i>	2	04/06/2004	<0.050
OU2			
<i>MW16-0.5-1</i>	0.5	03/29/2004	0.022
EPA Region 9 PRG*			0.74
DEQ Terrestrial SLV**			—

F:\DATA\JobelPort of Portland\Upland Source Control Contract\Terminal 4 Slip 11\Date Summary Report v.2\Tables 3,4,6,7,8, and 9.xls

Notes:

1. Only detected compounds are reported in table.
2. PCBs = Polychlorinated biphenyls by EPA Method 8082.
3. mg/kg = milligram/kilogram.
4. < = Not detected above the method reporting limit.
5. * = EPA Region 9 Preliminary Remediation Goal (PRG) for Industrial Soil.
6. ** = Oregon Department of Environmental Quality Level II Screening Level Values (SLVs) for Terrestrial Receptor.
7. — = No screening level available.

Table 5 - Pesticide Concentrations Detected in Soil
Phase I Data Summary Report
T4S1 Upland Facility Remedial Investigation

		4,4'-DDD	4,4'-DDE	4,4'-DDT	gamma-Chlordane	Heptachlor	Methoxychlor
Sample ID	Date	Concentration in $\mu\text{g/kg}$					
MW16-0.5-1	3/29/2004	0.28	0.092	2.1	0.084	0.35	0.99
EPA Region 9 PRG*		10,000	7,000	7,000	6,500	380	3,100,000
DEQ Terrestrial SLV**		10	10	10	9,000	15,000	500,000

F:\DATA\Jobs\Port of Portland\Upland Source Control Contract\Terminal 4 Slip1\Data Summary Report\Table 5.xls

Notes:

1. Only detected compounds are reported in table.
2. OCPs = Organochlorine Pesticides by EPA Method 8081A.
3. OPPs = Organophosphorus Pesticides by EPA Method 8141A.
4. $\mu\text{g/kg}$ = microgram/kilogram.
5. < = Not detected above the method reporting limit.
6. * = EPA Region 9 Preliminary Remediation Goal (PRG) for Industrial Soil.
7. ** = Oregon Department of Environmental Quality Level II Screening Level Values (SLVs) for Terrestrial Receptors.
8. — = No screening level available.

Attachment B
Final Analytical Laboratory Data Sheets



SR#: K 240 2343

1317 South 13th Ave. • Kelso, WA 98626 • (360) 577-7222 • (800) 695-7222x07 • FAX (360) 636-1068

PAGE 1 OF 1 COC #

[illegible]

CARG000979

Organic Analysis:
Organochlorine Pesticides

Summary Package

Sample and QC Results

COLUMBIA ANALYTICAL SERVICES, INC.

Analytical Results

Client: URS Corporation
 Project: POP-T4-OU2
 Sample Matrix: Soil

Service Request: K2402343
 Date Collected: 03/29/2004
 Date Received: 03/31/2004

Organochlorine Pesticides

Sample Name: MW16-0.5-1
 Lab Code: K2402343-006
 Extraction Method: EPA 3540C
 Analysis Method: 8081A

Units: ug/Kg
 Basis: Dry
 Level: Low

Analyte Name	Result	Q	MRL	MDL	Dilution Factor	Date Extracted	Date Analyzed	Extraction Lot	Note
alpha-BHC	ND	U	1.0	0.10	1	04/06/04	04/24/04	KWG0404567	
beta-BHC	ND	U	1.0	0.27	1	04/06/04	04/24/04	KWG0404567	
gamma-BHC (Lindane)	ND	U	1.0	0.12	1	04/06/04	04/24/04	KWG0404567	
delta-BHC	ND	U	1.0	0.17	1	04/06/04	04/24/04	KWG0404567	
Heptachlor	0.35	JP	1.0	0.12	1	04/06/04	04/24/04	KWG0404567	
Aldrin	ND	U	1.0	0.30	1	04/06/04	04/24/04	KWG0404567	
Heptachlor Epoxide	ND	U	1.0	0.17	1	04/06/04	04/24/04	KWG0404567	
gamma-Chlordane	0.084	JP	1.0	0.046	1	04/06/04	04/24/04	KWG0404567	
Endosulfan I	ND	U	1.0	0.14	1	04/06/04	04/24/04	KWG0404567	
alpha-Chlordane	ND	U	1.0	0.075	1	04/06/04	04/24/04	KWG0404567	
Dieldrin	ND	U	1.0	0.50	1	04/06/04	04/24/04	KWG0404567	
4,4'-DDE	0.092	JP	1.0	0.092	1	04/06/04	04/24/04	KWG0404567	
Endrin	ND	U	1.0	0.29	1	04/06/04	04/24/04	KWG0404567	
Endosulfan II	ND	U	1.0	0.074	1	04/06/04	04/24/04	KWG0404567	
4,4'-DDD	0.28	JP	1.0	0.12	1	04/06/04	04/24/04	KWG0404567	
Endrin Aldehyde	ND	U	1.0	0.20	1	04/06/04	04/24/04	KWG0404567	
Endosulfan Sulfate	ND	U	1.0	0.26	1	04/06/04	04/24/04	KWG0404567	
4,4'-DDT	2.1		1.0	0.21	1	04/06/04	04/24/04	KWG0404567	
Endrin Ketone	ND	U	1.0	0.071	1	04/06/04	04/24/04	KWG0404567	
Methoxychlor	0.99	JP	1.0	0.23	1	04/06/04	04/24/04	KWG0404567	
Toxaphene	ND	U	50	8.8	1	04/06/04	04/24/04	KWG0404567	

Surrogate Name	%Rec	Control Limits	Date Analyzed	Note
Tetrachloro-m-xylene	76	39-129	04/24/04	Acceptable
Decachlorobiphenyl	106	29-141	04/24/04	Acceptable

Comments:

Organic Analysis:
Polychlorinated Biphenyls (PCBs)

Summary Package

Sample and QC Results

COLUMBIA ANALYTICAL SERVICES, INC.

Analytical Results

Client: URS Corporation
Project: POP-T4-OU2
Sample Matrix: Soil

Service Request: K2402343
Date Collected: 03/29/2004
Date Received: 03/31/2004

Polychlorinated Biphenyls (PCBs)

Sample Name: MW16-0.5-1
Lab Code: K2402343-006
Extraction Method: EPA 3540C
Analysis Method: 8082

Units: ug/Kg
Basis: Dry
Level: Low

Analyte Name	Result Q	MRL	Dilution Factor	Date Extracted	Date Analyzed	Extraction Lot	Note
Aroclor 1016	ND U	10	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1221	ND U	20	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1232	ND U	10	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1242	ND U	10	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1248	ND U	10	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1254	ND U	10	1	04/06/04	04/21/04	KWG0404568	
Aroclor 1260	22	10	1	04/06/04	04/21/04	KWG0404568	

Surrogate Name	%Rec	Control Limits	Date Analyzed	Note
Decachlorobiphenyl	95	40-145	04/21/04	Acceptable

Comments:

T-4 0093.PDF



October 7, 2005

Mr. Tom Gainer
Oregon Department of Environmental Quality
2020 SW 4th Avenue, Suite 400
Portland, OR 97201-4987

**Subject: Remedial Investigation Work Plan,
Addendum for Phase III Work Scope
Terminal 4 Slip 1 Upland Facility
ECSI No. 2356**

Dear Tom:

This letter is a follow up to our August 25, 2005 response to your letter of July 20, 2005, which provided comments to the June 2005 *Draft Remedial Investigation Work Plan, Addendum for Phase III Work Scope* for the Port of Portland (Port) Terminal 4 Slip 1 Upland Facility (Facility). Based on your email of September 1, 2005 (attached), it is our understanding that the Oregon Department of Environmental Quality (DEQ) agrees with our responses, with the exception of our response to the stormwater assessment proposed for the Facility. Based on the September 1, 2005 email, the Phase III field program was conducted and we are enclosing two copies of the revised and finalized *Remedial Investigation Work Plan, Addendum for Phase III Work Scope* (Phase III Work Plan) which incorporates DEQ comments as described in the August 25, 2005 letter.

No changes were made to the revised Phase III Work Plan regarding the proposed stormwater assessment because our discussions with the DEQ on the scope of the assessment are currently ongoing. Since submitting our August 25, 2005 letter, DEQ has participated in two additional meetings/conference calls which have further described the approach for the stormwater characterization being conducted as a part of the Recontamination Assessment for the Early Action at Terminal 4. We understand that DEQ has gained a better understanding of the process through these meetings but still has some specific concerns as the program applies to the Facility. As you know, results of the initial in-line sediment trap sampling has recently been received and evaluated, and data gaps that may require further assessment are currently being identified. In addition, supplemental meetings are currently planned with the DEQ to discuss the stormwater characterization being conducted at Terminal 4, and specifically how it is being applied for upland source control at the Facility. If, based on the evaluation of the results collected to date and our meetings with DEQ, additional sediment trap sampling or other assessment is deemed appropriate to complete the stormwater assessment at the Facility, an addendum to the Phase III Work Plan will be prepared which describes the scope, approach, and procedures for this additional assessment.

We look forward to your written approval of the enclosed revised *Remedial Investigation Work Plan, Addendum for Phase III Work Scope*. We understand that, at this time, the approval may not extend to the proposed approach for stormwater characterization and we will look for that

Mr. Tom Gainer
October 7, 2005
Page 2

approval once the additional meetings and inline sediment data evaluation described above have been completed.

Please call me at (503) 944-7323 if you have questions.

Sincerely,



Kristi Maitland
Environmental Project Manager

Enclosures:

- 1) Email from Tom Gainer (DEQ) dated September 1, 2005
- 2) Terminal 4 Slip 1 Upland Facility Remedial Investigation Work Plan, Addendum for Phase III Work Scope

c: **Dennis Klein, Cargill Inc.**
Kimberly Thorstad, Cargill Inc. (w/o enclosures)
David Breen, Port
Krista Koehl, Port
Anne Summers, Port
Bob Teeter, Port
Amanda Spencer, Ash Creek
James Beaver, BBL
Mark Lewis, NewFields

CARG000986

Amanda Spencer

From: GAINER Tom [GAINER.Tom@deq.state.or.us]
Sent: Thursday, September 01, 2005 3:47 PM
To: Maitland, Kristi
Cc: GAINER Tom; BAYUK Dana; Summers, Anne; Amanda Spencer
Subject: T4S1 P3 WP

Kristi-

I understood from your recent voicemail that the Port intended to commence implementation of the Phase III Work Plan at the T4 Slip 1 Site the week of September 5, 2005. DEQ approves of Phase III implementation (starting the week of September 5) according to the Work Plan and the Port's August 25, 2005 response to DEQ comments with the following exceptions:

DEQ is deferring acceptance of the Port's response regarding storm water evaluation at this time (DEQ General Comments 1-2 and Specific Comment on Section 2.2). DEQ is still considering your response to upland storm water evaluation and plans to address this issue shortly; field work scheduling to implement the work plan should not be affected. Besides the issue of whether in-line sediment sampling alone adequately evaluates potential upland sources of storm water contamination, the Port's response to DEQ's Specific Comment on Section 2.2 regarding Basin N does not appear to be adequate. The Port's approach to extrapolate results from other "similar" basins to Basin N does not address activities or COIs that are specific to Basin N (e.g., elevated lead concentrations in surface soil at SB-77). Therefore, DEQ expects additional evaluation of the storm water pathway from Basin N.

As I will be on vacation from September 2-9, 2005, please contact Dana Bayuk during my absence concerning any questions on the field work, and we'll take up the storm water issue upon my return.

Thanks-

Tom Gainer, P.E.

Project Manager/Environmental Engineer
OR DEQ NW Region
503-229-5326

10/5/2005

CARG000987

T-4 0094.PDF



October 6, 2005

David Ashton
Attorney
Port of Portland
PO Box 3529
Portland, OR 97208

RE: Cargill Leasehold
Port of Portland, Terminal 4, Operable Unit 1
Response to May 13, 2005 Lease Notice and Demand for Reimbursement
Cargill File No. L38009-0504

Dear Mr. Ashton:

This letter is in response to the Port of Portland's letter dated May 13, 2005 and requesting information related to the Unresolved Environmental Matters (Items 2, 4, 6, 7 and 8) that the Port and Cargill reached agreement on in a countersigned letter dated December 29, 2003. Cargill has recently performed a file review of the above referenced matter and provides the following information in an effort to close out these items and resolve this matter.

As Cargill has reiterated in our correspondence with the Port (including letters dated November 20, 2003, December 19, 2003, December 22, 2003 and December 29, 2003) it is our full intention to comply with our Lease obligations including any valid remediation and indemnification obligations. It is our belief that Cargill has provided assistance and information to the Port when reasonably able, and we now seek the Port's assistance in resolving the Unresolved Environmental Matters of our Lease termination. In an attempt toward satisfaction of Cargill's outstanding Lease obligations, we would like to narrow the five Unresolved Environmental Matters to those issues that remain unresolved between us. The original five Matters are repeated below in italics followed by Cargill's understanding of the status as of the date of this letter.

Item 2 from December 29, 2003 Letter: Through a series of communications and letters to Cargill (including letters dated May 23, 2003; June 20, 2003; November 14, 2003; November 20, 2003, November 24, 2003; and December 24, 2003), the Port has identified its requirements regarding Cargill's implementation of its Lease Section 12.14 exit audit and remediation responsibilities, including (i) requesting that Cargill address DEQ's environmental concerns relating to the Premises and that Cargill incorporate those concerns in its exit audit; and (ii) notifying Cargill that to the extent DEQ required the Port to investigate and cleanup contamination that was covered under Cargill's Lease obligations, the Port would hold Cargill responsible and seek recovery and reimbursement.

Delivery Address:
15407 McGinty Road West
Wayzata, MN 55391-2398

Mail Address:
PO Box 5724
Minneapolis, MN 55440-5724

CARG000989

Cargill's Response to Item #2 from the December 29, 2003 Letter:

Through a series of communications and letters to the Port (including letters dated November 20, 2003, December 19, 2003, December 22, 2003 and December 29, 2003), Cargill has reiterated its understanding that obligations under the Port's Voluntary Cleanup Program Agreement with the DEQ are not binding on Cargill because Cargill is not, and never has been a party to this agreement. Cargill does recognize its indemnity obligations under Section 6.4 of its Lease Agreement with the Port, and its obligations to address Recognized Environmental Conditions documented in the December 4, 2003 Environmental Site Assessment completed by ATC under Section 12.14 of its Lease Agreement with the Port. Despite the expressed mutual desire to cooperate, this appears to remain an Unresolved Environmental Matter related to interpretation of the Lease language and the Port's repeated attempts to make Cargill a party to the Port's Voluntary Cleanup Program Agreement with the DEQ.

Item 4 from December 29, 2003 Letter: On November 20, 2003, the Port notified Cargill under the Lease of Cargill's failure to comply with the Lease regarding DEQ's environmental concerns with respect to the Premises. Cargill's response is dated December 22, 2003.

Cargill's Response to Item #4 from the December 29, 2003 Letter:

Cargill responded to the Port in its December 22, 2003 letter from Kimberly Thorstad that Cargill has full intent to fulfill its remaining Lease obligations however is not willing to automatically expand its Lease obligations to include obligations imposed on the Port by the DEQ under the DEQ's Voluntary Agreement with the Port. As stated in the Port's May 13, 2005 letter to Cargill, the Lease requires Cargill to "remedy any contamination for which it is responsible". We have informed the Port numerous times that we are ready and willing to remedy any remaining contamination identified by ATC as related to Cargill's operations at the Leasehold and also any contamination outside of the scope of the ATC report which the Port can affirmatively prove was a result of Cargill's occupation of the Leasehold. To date no such information has been forthcoming. Cargill would like to proceed with the remedy of any remaining contamination identified by ATC as Cargill's responsibility, however, we are cooperating with the Ports request to delay this action until further notice.

Item 6 from the December 29, 2003 Letter: On December 4, 2003, the Port received the Environmental Site Assessment of the Premises prepared by ATC Associates, Inc. dated December 4, 2003 ("Audit Report"). The Port responded with additional matters which it believes are required for compliance with Lease Section 12.14 by letter dated December 17, 2003. Cargill's detailed response supplementing its preliminary response letter of December 22, 2003, has not yet been received by the Port.

Cargill's Response to Item #6 from the December 29, 2003 Letter:

Cargill agreed to supplement its initial, December 22, 2003 response to the Port's December 17, 2003 letter, with additional information that could reasonably be obtained. In order to expedite the transfer of information, Cargill did provide additional supplemental information to the Port either verbally, via e-mail or by fax transmission as it became available. We believe this Unresolved Environmental Matter has previously been satisfied, however, we have attached a letter to Kristi Maitland dated October 6, 2005 including a summary of the supplemental information previously provided trusting that this Unresolved Environmental Matter is now officially resolved.

Item 7 from the December 29, 2003 Letter: On December 15, 2003, the Port notified Cargill of non-compliance with the Lease with respect to the 1992 cleanup and closure of a water well as described in the Audit Report. Cargill's response is pending.

Cargill's Response to Item #7 from the December 29, 2003 Letter:

Cargill and/or ATC have previously provided information to the Port related to the 1992 water well closure and analysis both verbally and via fax transmission or e-mail. It is our understanding that in 1992 the Port was notified of the water well closure work and that on-site Port personnel signed off on the water well closure inspection form during the process. The oil water mixture pumped from the well prior to closure was held on site until analytical tests confirmed the mixture as non-detectable for PCB's; and subsequently the mixture was disposed of accordingly. It is our understanding that ATC located the original analytical results of the mixture and previously provided them to the Port. We trust this fully addresses previously Unresolved Environmental Matter 7, related to the Port's December 15th Letter concerning the 1992 Water Well Closure Report.

Item 8 from the December 29, 2003 Letter: On December 24, 2003, the Port requested additional environmental information from Cargill regarding its activities on the Leasehold and notified Cargill of an apparent failure relating to the regulatory status of the facility's stormwater management system.

Cargill's Response to Item #8 from the December 29, 2003 Letter:

It is our understanding that the Stormwater Management System serving the Leasehold is owned, permitted and maintained by the Port. We have no additional information or records related to the Leasehold's Stormwater Management system. Cargill's activities at the Leasehold were related to its business and to our knowledge did not include any unlawful or undisclosed releases or activities that would have impacted the Leasehold's Stormwater Management System. Cargill did perform routine preventative maintenance on its equipment and performed regular housekeeping inspections (see the attached example inspection form labeled Exhibit "A") in efforts to minimize any adverse impacts on the Leasehold and to facilitate immediate correction

Ashton
October 6, 2005
Page 4

of any noted problems. We trust this fully addresses Unresolved Environmental Matter 8, related to Cargill sight activities and the regulatory status of the Leasehold's Storm Water Management System.

It is Cargill's belief that this response, taken together with the submittal of the December 4, 2003 Audit Report prepared by the Port approved consultant, ATC, and Cargill's previous responses dated December 22, 2003 and December 29, 2003, fully address Unresolved Environmental Matters 6, 7 and 8.

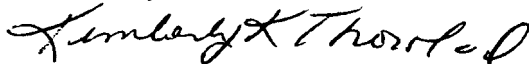
Cargill wishes to continue to work with the Port to completely resolve Unresolved Environmental Matters 2 and 4 and complete valid remediation and indemnification obligations submitted under the terms of the July 1, 1975 Lease and its Amendments.

As to the allegations by the former Longshoreman related to operations at the former Cargill Leasehold, in cooperation with the Port's May 13, 2005 request to Cargill, we provided our written response to you in our letter dated June 3, 2005. We will continue to cooperate and provide reasonably obtainable information to support the Port's efforts to fulfill its obligations to the DEQ under their Voluntary Cleanup Program Agreement, but we would like to resolve the lease issues first.

Cargill wishes to reiterate our willingness to remedy any remaining contamination identified by ATC as related to Cargill's operations at the Leasehold and also any contamination outside of the scope of the ATC report that the Port can affirmatively prove was a result of Cargill's occupation of the Leasehold.

We welcome your comments or suggestions in efforts to move forward to resolve the outstanding lease environmental issues. With that resolved, Cargill will then be able to devote additional attention to the Port's requests related to the Voluntary Cleanup Program with DEQ. Please feel free to call me if you wish to have further discussions on the lease issues.

Sincerely,



Kimberly Thorstad
Attorney

cc: Linda Childers, Cargill
✓ Dennis Klein, Cargill
Gene Loffler, CLD
Arnie Schaufler, CLD
Kristi Maitland, Port

CARG000992

T-4 0095.PDF



October 6, 2005

Kristi Maitland
Environmental Project Manager
Port of Portland
PO Box 3529
Portland, OR 97208

RE: Supplemental Information
Cargill Leasehold, Port of Portland, Terminal 4, Operable Unit 1
Cargill File No. L38009-0504

Dear Ms. Maitland:

Cargill has recently performed a file review of the above referenced matter and prepared a list of items that, according to our records, the Port has requested and may not have previously received; more specifically, the Port's December 17, 2003 letter detailing additional matters not addressed in the December 4, 2003 Audit Report. Some of these matters were addressed in Cargill's letters dated December 22, 2003 and December 29, 2003. It is our understanding that additional information has been transmitted either verbally or via e-mail or fax transmission and that there may no longer be outstanding requests for information from the Port. However, Cargill wishes to formally submit the remainder of the requested items in efforts to cooperate with the Port and finalize the fulfillment of our Lease obligations.

Specific information requested by the Port (Ruda) in its December 17, 2003 letter and follow-up request in the Port's (Ruda's) December 24, 2003 letter, is presented below in italics, followed by Cargill's comments, information and attachments. Because this response is to a combination of requests, some numbered, some not, there is no correlation between the numbering in this submittal and numbering of any original request.

Port Request #1: records related to the permit status of the SW Management system;

Cargill Response 1: It is our understanding that the Stormwater Management System serving the Leasehold is owned, permitted and maintained by the Port. We have no additional information or records related to the Leasehold's Stormwater Management system. Cargill's activities at the Leasehold were related to its business and to our knowledge did not include any unlawful or undisclosed releases or activities that would have impacted the Leasehold's Stormwater Management System. Cargill did perform routine maintenance on its equipment and maintained the practice of performing regular housekeeping inspections at the Leasehold. An inspection form similar to the one used at the Leasehold is attached as an example in Exhibit "A". Similar routine inspections were performed at the Leasehold in efforts to minimize any adverse impacts and to expedite immediate correction of any identified issues.

Delivery Address:
15407 McGinty Road West
Wayzata, MN 55391-2398

Mail Address:
PO Box 5724
Minneapolis, MN 55440-5724

CARG000994

Port Request 2: records related to the location, installation, operation and closure of UST's and AST's during Cargill's occupation of the Leasehold;

Cargill Response 2: In regard to Underground Storage Tanks, according to employee recollection, there was one (1) Underground Storage Tank on the Leasehold during Cargill's occupancy of the site. It is believed that this tank contained diesel fuel and was located near the west side of the rail shed. As we have previously indicated to the Port, Cargill employees recall the tank was removed by a contractor during the late 1970's or early 1980's as a part of Cargill's system-wide removal plan. We have searched our internal records and contacted the ODEQ several times requesting a copy of their records. At this time no records have been identified to confirm the presence of an Underground Storage Tank at the Leasehold or its subsequent removal and closure. We believe that the regulations in effect at the time did not require such record keeping and we are unable to provide any further information related to Underground Storage Tanks at the Leasehold.

In regard to Above Ground Storage Tanks, according to employees, there were three (3) Above Ground Storage Tanks at the Leasehold during Cargill's occupancy.

- 1) After the site's UST was removed it was replaced with an AST containing diesel fuel for fueling the locomotive (when on site) and the site's front-end loader. This tank was located on a slab, west of the rail shed and was inspected regularly and maintained as needed. This tank was removed in the spring of 2003 at the request of the Port in preparation for termination of the Lease; and
- 2) There were two (2) double walled AST's with approximately 250 gallons of capacity each located in a paved area adjacent to the mechanical shop. These tanks were used for the collection of used oil from the shop, inspected regularly and maintained as needed. Used oil was collected from the tanks approximately once per year by a commercial recycling company during their time of use. The tanks were removed and relocated to another Cargill facility when Cargill vacated the property in 2003.
- 3) Although not a true AST, Malathion was dispensed from 55 gallon drums located in the Malathion room. This room had no floor drains and was routinely inspected and maintained as needed.

We have no additional information or records related to Above Ground Storage Tanks at the Leasehold. We trust this completely addresses the Port's request for information related to Above Ground and Underground Storage tanks on the Leasehold during Cargill's occupancy.

Port Request 3: records related to location of equipment fueling operations during Cargill's occupation of the Leasehold;

Cargill Response 3: The Underground Diesel Fuel Storage Tank (1951~1980) and its Above Ground replacement (~1980-2003) were used for fueling of the locomotive and site equipment. During years of operation, each was located on the west side of the rail shed. During Cargill's limited operations during 2003, a commercial fueling vendor (truck-mounted equipment) was utilized as needed. We have no additional information related to fueling operations at the Leasehold.

Port Request 4: records related to the 2 dry wells on the Leasehold during Cargill's occupation;

Cargill Response 4: Cargill has no knowledge or records related to any drywells on the Leasehold during its occupancy or what their intended use might have been. If you require additional information, please clarify location and use.

Port Request 5: records related to the testing during the 1992 water well closure and records of notification to the Port of any contamination found;

Cargill Response 5: Cargill and ATC have previously provided information to the Port related to the 1992 water well closure and analysis. It is our understanding that at the time of well closure, our contractor notified the Port of operations and an on-site Port employee signed the closure inspection form. The oil water mixture pumped from the well prior to closure was held on site until analytical tests confirmed the mixture as non-detectable for PCB's; and subsequently was disposed of accordingly off site. We have no additional information related to the 1992 water well closure.

Port Request 6: records related to handling of hazardous materials at the former Blacksmith and Machinery Shops at the Leasehold;

Cargill Response 6: Cargill has no information related to "the former Blacksmith shop" and believes this may have existed prior to Cargill's occupancy of the Leasehold. The Machinery Shop was utilized as a small maintenance shop for on site process equipment such as pumps, compressors and hoists. Standard size, commercially available machine shop chemicals, such as lubricants and cleaning solvents were housed in this area on shelves and properly labeled. Compressed gases for on site use were also stored in this area. We have no additional information related to the Machine Shop and "former Blacksmith" areas of the Leasehold.

Port Request 7: records related to the historic location of any PCB containing equipment;

Cargill Response 7: At the time of Cargill's occupation of the Leasehold there were 4-6 small electric capacitors located at each motor control center at the Leasehold. Historically, these capacitors may have contained PCBs, however, the capacitors were replaced in 1983 and 1984 as a part of a company wide program to eliminate PCB's from Cargill locations. The location of the equipment was maintained during the replacement program and capacitors were still in place

Maitland
October 6, 2005
Page 4

at their historic location upon termination of Cargill's Lease. Electrical transformers located at the Leasehold during Cargill's occupancy were owned and maintained by the local power company and Cargill has little information related to their status related to PCB's. Cargill employees do recall that when the facility was rebuilt in 1976, all oil filled transformers serving the Leasehold were replaced with dry type transformers (no oil or PCB's) at Cargill's request. Cargill has no records of any other PCB containing equipment at the Leasehold during its occupancy.

Port Request 8: records relating to the location and conduct of pesticide and fungicide mixing and application at the Leasehold;

Cargill Response 8: Mixing and application of pesticides and fungicides took place in the Malithion room at the Leasehold. This room was self contained and had no floor drains. Fungicides were sprayed onto grain on the conveyor belt system as grain was transferred into long-term storage bins. Fumigants were utilized in the long-term storage bins to control insects. A commercial pesticide company was utilized for other pest control services. We have no additional information or records related to pesticide or fungicide use at the Leasehold.

Port Request 9: contact information related to current and former employees that may assist the Port in recreating the information.

Cargill Response 9: Cargill interviewed current and former employees Gene Loffler, Dennis Klein, Doug Dunlay, Greg Rowe, Mark Bonk and Brian Butz to obtain information related to Cargill's operations at the Leasehold. All except Dennis Klein, who serves as the businesses current Environmental Coordinator, were located at the Leasehold at some point in their career and are reliable sources of information as memory permits.

According to our records, we have now supplied available information requested by the Port. If you have any additional questions or concerns, please feel free to call me at (952) 742-6379 to discuss.

Sincerely,



Linda C. Childers, P.E.
Senior Paralegal

cc: Kimberly Thorstad, Cargill
Dennis Klein, Cargill
Gene Loffler, CLD
Arnie Schaufler, CLD
David Ashton, Port

CARG000997

EXHIBIT "A"

Monthly Housekeeping Inspection

EXAMPLE

Date:

Inspected By:

Location	Good	Acceptable	Clean-Up	Observations
Malathion Room				
Old Boot				
New Boot				
Head / C8				
C8 Tunnel				
Truck Tunnel				
C4 Tunnel				
C6 Tunnel				
C3 Tunnel				
C3 Above Grnd				
Transfer House				
C2				
C1				
Rail Scale				
Ship Dock				
Barge Dock				
Warehouse				
Bottom Bins 8 and 9				
Cleaner Level 1				
Cleaner Level 2				
Cleaner Level 3				
Cleaner Level 4				
Passenger Elevator				
6th Floor				
6A Floor				
7th Floor				
7A Floor				
8th Floor				
Head / Leg 2				
9th Floor				
10th Floor				
Head / Leg 1				
11th Floor				
12th Floor				
Head / Legs 3 & 4				
Old Bin Tops				
New Bin Tops				
Maint Shop				
Plant Exterior				
Malathion Tank				
Diesel Tank				
Sump Pump Run-Off				
Mineral Oil Tank				
Dust Systems				

Monthly Plant Inspection

Date of Inspection

Previous month's inspection reviewed by Inspector?

Reviewed by Plant Supt.

Inspected By:

Date of Last Inspection:

"A" Hazard - needs to be addressed immediately, will cause serious injury or property damage.

"B" Hazard - needs to be addressed within 48 hours, potential to cause injury or property damage.

"C" Hazard - needs to be addressed within 30 days, not likely to cause injury or property damage.

If "NO" in any of the following, number the hazard in the "NO" column, and describe hazard on the last page.

Office Safety Equipment

	Yes	No	Hazard Class	Observations	Date Completed
Is the seal on the first responder kit?					
Is the bloodborne pathogen kit available?					
Are the 2 blankets in the cabinet?					
Is the spill kit in the cabinet?					
Is the first aid kit available?					
Are respirators available? Stored properly?					

Malathion Room / Tank

	Yes	No	Hazard Class	Observations	Date Completed
Is the stokes basket available? In good condition?					
Is malathion pump in good condition? Free of leaks? Connections sound?					

Old Boot / Leg 4

	Yes	No	Hazard Class	Observations	Date Completed
Are ear plugs available?					
Is the sump pump operating properly?					
Are hazard monitoring sensors in place and operating properly?					
Are bearings free of dust / grain build-up?					
Is lighting adequate with dust globes in place?					
Do walls / floors / ledges have less than 1/8" dust?					

New Boot / Legs 1, 2, and 3

	Yes	No	Hazard Class	Observations	Date Completed
Is the sump pump operating properly?					
Are hazard monitoring sensors in place and operating properly?					
Are bearings free of dust / grain build-up?					
Is lighting adequate with dust globes in place?					
Do walls / floors / ledges have less than 1/8" dust?					

New Basement / Drag 2 / C8

	Yes	No	Hazard Class	Observations	Date Completed
Is conveyor belt tracking properly?					
Are bearings free of dust / grain build-up?					
Do walls / floors / ledges have less than 1/8" dust?					
Is lighting adequate with dust globes in place?					
Are hazard monitoring sensors in place and operating properly?					

Old Basement / C3 / C4 / C6

	Yes	No	Hazard Class	Observations	Date Completed
Is conveyor belt tracking properly?					
Are bearings free of dust / grain build-up?					
Is lighting adequate with dust globes in place?					
Are hazard monitoring sensors in place and operating properly?					
Are sump pumps operating properly?					

Transfer House / Tail of C1 / Head of C3

	Yes	No	Hazard Class	Observations	Date Completed
Is conveyor belt tracking properly?					
Are bearings free of dust / grain build-up?					
Is lighting adequate with dust globes in place?					
Are hazard monitoring sensors in place and operating properly?					

Ship Gallery / C1 / C2

- Is conveyor belt tracking properly?
Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?

6th Floor / Tail of Drags 1, 3, and 4

- Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?
Are drag tail take-up sections free of leaks?
Is stokes basket in place? In good condition?

Old Bin Tops / Drag 1

- Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?

New Bin Tops / Drags 3 and 4 / Cleaner Dust

- Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?

7th Floor / Drags 5 and 6

- Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?
Are drag take-up seals free of leaks?

Headhouse / Head of Legs 1, 2, 3, 4, 5

- Are bearings free of dust / grain build-up?
Is lighting adequate with dust globes in place?
Are hazard monitoring sensors in place and operating properly?
Do scales appear to be operating properly?
Are scales free of oil / air leaks?

Dust Systems / Mineral Oil Tank

- Are dust system motors free of dust build-up?
Are dust system bearings free of dust build-up?
Is mineral oil tank free of leaks?
Is the lock in place on the containment drain?
Is the lock in place on top of the tank?
Is spill kit properly located?

Rail Pit / Diesel Tank

- Does rail scale have 1/8" gap all the way around?
Is scale clean?
Is the rail gun free of hydraulic leaks?
Do all bars, car openers have ring welded on?

Warehouse

- Are pallets stored properly and safely?
Are capacity signs posted for upper landing?

Barge Dock / Tail of C7

- Is stokes basket in place? In good condition?
Are C-7 tail bearings free of dust build-up?
Is life ring available w/ 90' of line?

Are walkways, docks free of trip hazards?
Are rub sensors on barge leg secure?

<u>Shop</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Is first aid kit and bloodborne pathogen kit available?					
Is fall protection equipment in good condition?					
Is PPE available for welding / cutting?					
Are flash screens in place?					
Are chemical containers stored properly? Labeled?					
Are compressed gases stored properly? Securely?					
Is the area free from fire hazards?					
Do grinders all have guards in place?					
Is shop clean and free of fire hazards?					

<u>Ship Dock</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Are there any wheat spills on dock?					
Is dock free of trip hazards? Trash ?					

<u>Cleaner Levels</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Are cleaners free of dust / grain build-up?					
Are pre-air hoses free of plugged condition?					
Are all doors secure with handrails in place?					
Are indent cylinder hoses free of plugged condition?					

<u>Office Roof / Head of C7</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Are bearings free of dust / grain build-up?					
Is roof free of spills? Build-up? Water?					
Are sampler hoses connected properly?					

<u>Truck Dump / Tipper</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Is truck pit free of wheat / water?					
Are all safety signs and handrails in place?					
Do pivot pins and hydraulic cylinders show any signs of leakage or abnormal wear?					
Are tank and hoses free of leaks?					
Is tipper pit free of wheat / water?					

<u>Rail Yard</u>	<u>Yes</u>	<u>No</u>	<u>Hazard Class</u>	<u>Observations</u>	<u>Date Completed</u>
Do all switches appear to be operating properly?					
Are blue flags in place?					
Is rail yard free of hazards?					
Are tank and hoses free of leaks?					
Is bottom of Bin 8 closed and locked?					
Are all gates closed and locked and in good condition?					

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August 25, 2005

Mr. Tom Gainer
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201-4987

**Subject: Response to Comments: Draft Remedial Investigation Work Plan,
Addendum for Phase III Work Scope
Terminal 4 Slip 1 Upland Facility
ECSI No. 2365**

Dear Tom:

This letter responds to your letter of July 20, 2005, which provided comments on the June 2005 *Draft Remedial Investigation Work Plan, Addendum for Phase III Work Scope* (Phase III Work Plan) for the Port of Portland (Port) Terminal 4 Slip 1 Upland Facility (Facility). For ease in review, we have included each Oregon Department of Environmental Quality (DEQ) comment in italics, followed by our response and description of revisions made to the Phase III Work Plan to address the DEQ comment.

General Comments

Comment: 1) Soil Data Evaluation

The Phase III RI Scope compares soil analytical data for chemicals of interest (COI) to 1) the EPA Region 9 preliminary remediation goals (PRGs) applicable to an industrial land-use scenario, and 2) "background" in the case of metals. Portions of the site are unpaved (e.g., western portion of OU1) and the potential for impacted soil to be eroded and transported into the storm water conveyance system exists. Furthermore, COI including polycyclic aromatic hydrocarbons (PAHs) have been detected in surface soil near catch basins (e.g., S-12, S-13). As requested in our comments letter dated June 10, 2005, sediment probable effect concentrations (PECs) should be used to screen soil data for erodible soil that could migrate to the river via storm water piping and/or overland transport. Please include such screening in the Phase III Work Plan.

It is premature to eliminate ecological receptor pathways from soil. Therefore, soil data in unpaved areas should also be screened against DEQ's Level II terrestrial ecological screening level values (SLVs).

Response: As stated in the approved *Terminal 4 Slip 1 Upland Facility Remedial Investigation Work Plan* (RI Work Plan), the purpose of screening Phase I and II data against selected screening criteria is to identify whether data gaps exist. These data gaps would then be filled during the Phase III field effort so that a human health and ecological risk assessment of the Facility conditions can be completed and source control measures may be identified, if needed. This screening step is not warranted for potentially erodible surface soil that could enter the

storm water system because the Port has already "screened in" this potential source and pathway for further assessment.

According to DEQ, the purpose of screening surface soil against PECs is to **screen in** sites that require further assessment to determine whether the surface soil will be an ongoing upland source to the river.¹ With respect to surface soils potentially eroding to the storm water system, the Port has already "screened in," and therefore the PEC screening step is unnecessary. As presented in the Phase III Work Plan and as discussed in our telephone conversation on August 15, 2005, surface soil on the Upland Facility that could potentially be eroded and transported into the storm water conveyance system is being assessed as part of the *Recontamination Assessment* (an evaluation of the potential for recontamination of sediment following a planned Early Action for the Terminal 4 sediments). The *Recontamination Assessment* will be an ongoing characterization process until sufficient data has been collected at the Facility to fully evaluate whether Upland soil (or other sources) could be an ongoing source of contaminants to the river at unacceptable levels. Surface soil data collected during the Remedial Investigation will be used to guide and evaluate the results of the in-line sediment sampling and mass load analysis being conducted for the *Recontamination Assessment*. The *Recontamination Assessment* is a critical aspect of the Terminal 4 Early Action because recontamination of the sediments following the Early Action is obviously not desirable. Thus, the objective of the *Recontamination Assessment* is entirely consistent with and achieves the objectives of the Upland Source Control aspects of the Terminal 4 Slip 1 Remedial Investigation/Feasibility Study.

Because further data is already being collected to evaluate whether surface soil at the Facility could be a source to the river, screening of the PECs for purposes of determining a need for more investigation is not warranted.² Therefore, the Phase III Work Plan has not been revised to include the screening of surface soil data against PECs.

The Phase III Work Plan has been revised to include a screening of shallow (0 to 3 feet below grade) soil data from unpaved areas against DEQ's Level II SLVs. As noted in the revised Phase III Work Plan, the screening did not identify additional data gaps that require filling for the completion of the risk assessment.

Comment: 2) Storm Water Assessment

In your letter dated August 2, 2004, the Port indicated that, "...recommendations for further storm water assessment (including catch basin sediment sampling or storm water sampling, if appropriate) will be presented in the Phase II Data Summary/Phase III Evaluation Report."

¹ In recent public presentations on the Joint Source Control Strategy, DEQ described the purpose of screening of surface soil against PECs as a mechanism to screen in sites that require further assessment as to whether the surface soil will be an ongoing upland source to the river. These criteria would not be used to determine that the surface soil presented unacceptable risk, only that further assessment would be required to demonstrate that the soils would not present an unacceptable risk.

² It is noted that a screening-level assessment of risk consistent with the PEC comparisons requested in this comment will be completed for the composite samples (see the response to Specific Comment on Section 2.1.3 below) from erodible riverbank soils.

Based on DEQ's review, the Port is not proposing to conduct any additional storm water/catch basin sampling other than what is described in the Recontamination Assessment.

According to the Phase III RI Scope, storm water is being assessed as part of the Recontamination Assessment to support the T4S1 Early Action. Appendix C provides methodologies but no sampling or analytical results or screening of data against applicable standards. Storm water and in-line sediment samples are being collected from selected outfalls at the site as part of this effort. The sediment sampling approach is intended to collect samples "...as far downgradient in the storm water basin as practicable to integrate runoff from the majority of the basin without being impacted by the Willamette River."

It should be noted that this approach could mask the influence of individual (or groups) of catch basins that contribute impacted storm water and/or sediments to the basin. The Phase III RI Scope should acknowledge this scenario and indicate that based on the results of Recontamination Assessment work, upstream sampling may be needed to identify potential individual sources of storm water impacts.

As discussed above, data for erodible soil has not been compared to PECs. In addition, detections of COI have occurred in the vicinity of catch basins in unpaved portions of Basin R (western portion of OU1). DEQ expects that the Port will screen surface soil data against PECs to assess the erodible soil pathway. Based on surface soil data collected at sample locations S-12 and S-13, sampling of nearby catch basins appears warranted.

Response: As described in our response to General Comment 1, above, the Port believes that screening of chemical concentrations in surface soil that could potentially be eroded and transported into the storm water conveyance system against PECs is not warranted.

As to sampling of catch basins, the Port believes that at its Terminal 4 Upland Facility such samples are not adequately representative of the nature of the solids transported through the storm water conduits on an ongoing basis. Catch basins are designed to capture solids, and the Port regularly cleans the catch basins. It is the Port's position that the appropriate approach to assess whether the storm water is a pathway for ongoing sources of contamination at unacceptable levels to the sediment at Terminal 4 is to deploy in-line sediment traps where possible, as is being done in conjunction with the Terminal 4 Early Action (i.e., the *Recontamination Assessment*). The collected sediment is then tested and the results evaluated on a mass input basis. Thus, only if the predicted surface sediment concentrations exceed an appropriate threshold would the storm water drainage basin at Terminal 4 be considered a source of concern. If so, then further assessment would be conducted to identify the specific cause of the source and evaluate appropriate source control measures.

As was described by Philip Spadaro in our August 15, 2005 conference call with you, the in-line sediment trap sampling will provide more reliable and comprehensive data on the mass input to the river from potential sources associated with the storm water system. Thus, it would not mask the contribution of individual catch basins, but actually would more accurately represent the extent that individual drainage areas may contribute to the overall mass entering the river. As explained on August 15, the *Recontamination Assessment* will be an iterative process for the Terminal 4 Facility to ensure that adequate information is collected to assess potential impacts to the river and allow for appropriate source control measures, if warranted.

Comment: 3) Surface Soil MW-16 Vicinity

During a meeting on April 7, 2005 soil data was presented that documented releases of pesticides and polychlorinated biphenyls (PCBs) to shallow soils in the vicinity of MW-16 (Figure N). The Port indicated that this area would be further evaluated. The data presented in the Phase III Work Plan is orders of magnitude less than the data provided at the meeting. DEQ requests that the Port explain the discrepancy. In the event it is determined that the data provided on April 7th is correct, DEQ expects that this area be further evaluated. In addition, soil data should be screened against ecological terrestrial SLVs (see General Comment #1).

Response: As previously discussed with DEQ staff, inaccuracies in the reporting of Phase I PCB and pesticide soil data from boring MW-16 was identified during the development of the Phase III Work Plan. These data was inaccurately reported in the *Phase I Data Summary Report* due to a discrepancy between the electronic and hard copy data and were subsequently used during the preliminary evaluations of the Phase I and II data prior to our meeting with DEQ on April 7, 2005. Following the meeting, hard copies of the analytical data were obtained and reviewed, identifying the inaccuracies.

The Port will prepare an addendum to the *Phase I Data Summary Report* that documents the corrected data. The addendum will include the final analytical laboratory data sheets and replacement tables for the report. As the data is accurately reflected in the Phase III Work Plan, no changes are needed to the work plan.

Specific Comments

Comment: *Section 2.1.1 - Monitoring well T4S1MW-18 is located in the west central portion of OU1. It does not appear that samples were collected from this monitoring well for metals analysis. DEQ recommends that in addition to monitoring wells T4S1MW-08, T4S1MW-017, and T4S1MW-26 (proposed), samples be collected at T4S1MW-18 for analysis of total and dissolved metals and pesticides to further evaluate overall groundwater quality in OU1.*

Response: Although not required by the approved RI Work Plan (see Table 1 of the RI Work Plan), groundwater from well MW-18 was inadvertently analyzed for pesticides during the April 2004 sampling event. Pesticides were not detected and these analytes were subsequently removed from the sampling program.

Although groundwater from MW-18 has not been analyzed for metals, sufficient data is available from other explorations in that area. Figure 1, attached, shows the locations in the area of MW-18 that have included groundwater sampling for metals analysis. As shown in the figure, groundwater samples have been collected from five locations (borings SB-42, SB-49, SB-50, and SB-51, and well MW-24) in the western portion of OU1 of the Facility for metals analysis, providing adequate data for completion of the risk assessment. As noted in our meeting on April 7, 2005, none of the metals concentrations in the grab or monitoring well samples near well MW-18 exceeded aquatic SLVs. In addition, none of the metals concentrations exceeded

human health SLVs (fish consumption) in these samples with the exception of arsenic, which is at regional background concentrations.

Based on these evaluations, sampling of groundwater from MW-18 for metals and pesticide analysis is not warranted and no change is proposed to the Phase III Work Plan.

Comment: *Section 2.1.1 - Several surface soil samples are proposed to delineate the horizontal extent of elevated lead detected at SB-77. The vertical extent of lead contamination in soil should also be evaluated.*

Response: The Phase III Work Plan proposed collecting a sample from 0.5 to 1 foot at location T4S1SB-77 and has been revised to include an additional sample to be collected from this location at 2 to 2.5 feet below ground surface (bgs) to better assess the vertical extent of lead. The 2 to 2.5 foot sample will be held pending the 0.5 to 1 foot bgs sample laboratory analytical results. If lead is detected in the 0.5 to 1 foot sample at concentrations exceeding applicable risk screening criteria, the sample collected from 2 to 2.5 feet will be submitted for lead analysis.

Comment: *Section 2.1.2 - To further evaluate the longshoreman's information that certain catch basins received waste/excess pesticides, catch basin sediment samples should be collected. In addition, samples should be collected from the next catch basin downstream of two identified by the longshoremen. This data will be used to assess whether residues of these COI remain in the storm water conveyance system.*

Response: As described in our call with you on August 15, 2005, the Port routinely cleans the catch basins at the Facility and materials from years of operation have been removed and properly disposed. Therefore, samples collected from the catch basins would not likely be representative of historical activities.

The storm water conveyance system in Basin Q, the basin containing the catch basins identified by the longshoremen, was included in the in-line sediment sampling program currently being performed as a part of the *Recontamination Assessment*. Therefore, the data collected for the *Recontamination Assessment* will allow the Port to assess whether any residuals from Basin Q could have an impact on river sediment.

Comment: *Section 2.1.2 - During Phase III sampling activities, DEQ plans to confirm whether soil sample SB-26 adequately characterized the locations of potential releases of Malathion discussed in the Port's June 1, 2005 letter (response #2). An additional surface soil sample will be requested in the field if necessary.*

Response: Per our discussions on August 15, 2005, the Port will arrange for a site visit with Ash Creek Associates and DEQ to review the location of SB-26.

Comment: *Section 2.1.3 - The Port proposes to assess erodible soil along approximately 1,000 feet of the site's waterfront (AOC 83). The Port has recommended collecting and*

analyzing seven discrete surface soil samples spaced between 150 feet to approximately 350 feet apart.

DEQ currently understands potential release areas are unknown at this time. Absent information regarding historic releases or specific impacted areas, DEQ recommends that the AOC 83 sampling program be modified to collect composites samples by area similar to the general approach described below:

- *A sample should be added between samples S-27 and S-28 to reduce the distance between these two locations;*
- *Composite soil subsamples should be collected around each general sample location shown in the Phase III RI Scope, and subsamples should be combined into a single sample for analysis (eight samples total); and*
- *Subsamples of the composite should be retained for future testing if necessary.*

A detailed description of the approach should be submitted to DEQ for review and to supplement the Phase III RI Scope. The supplement should describe how subsamples will be collected, composited, handled, and analyzed, and include a figure illustrating the sampling approach.

Response: The Port will adopt a composite-soil sampling strategy for AOC 83. The composite sampling approach is detailed in the revised Phase III Work Plan and summarized herein. The riverbank area that has potentially erodible soil (i.e., AOC 83) has been divided into eight equidistance areas, each covering approximately 150 lineal feet of riverbank (or slip bank). A four-point composite soil sample will be collected from each area (i.e., a total of 8 composite samples will be collected for analysis). The four sub-sample locations within each composite sample area will be located at equally spaced distances of approximately 38 feet. The composite sample areas and sub-sample locations are illustrated on the Figure 5 of the revised Phase III Work Plan (a copy of Figure 5 is attached to this letter for reference). Discrete samples from each sub-sample location will also be collected and will be retained for potential future analysis. The methodology and procedures for the composite sampling will be included in Section 3.3 of the revised Phase III Work Plan.

Comment: *Section 2.2 – Storm water evaluation being conducted for the T4 Early Action is described as sufficient for the T4S1 RI upland evaluation. However, this conclusion is not supported by any evidence. Appendix C indicates that storm water was sampled in January/February 2005, but results and data screening were not provided. During our April 7, 2005 meeting, we agreed that the Phase III Work Plan would evaluate the completeness of the Early Action Recontamination Assessment. DEQ cannot determine if the storm water evaluation proposed is adequate with the information provided.*

Please add Basin N, including the IRM facility, in the storm water evaluation.

Response: Evaluation of the results of the Terminal 4 Early Action in-line sediment trap sampling is ongoing. The findings of this evaluation will be provided to USEPA and DEQ in advance of publication of the final EE/CA report which is anticipated in November 2005. The

Port welcomes further discussions with DEQ on the scope, methods, and procedures for the collection and evaluation of the sediment trap data to ensure that DEQ is comfortable that the objectives of the sediment trap sampling and analysis is directly aligned with the objectives of the Upland Source Control evaluation needed for the completion of the RI/FS at the Facility.

Basin N was not selected for sampling because it is relatively small and has surface characteristics similar to basins O and Q which were sampled. Data from Basins O and Q will be extrapolated to Basin N such that potential contributions from N will be incorporated into the overall assessment.

Comment: *Section 3 (Investigation Activities), Section 4 (Chemical Analyses), and Table 1*
The referenced sections and table should be revised consistent with DEQ's comments to include:

- *Collecting groundwater samples at monitoring well T4S1MW-18 for analysis of metals (total and dissolved) and pesticides;*
- *Collecting sediment samples from the catch basins identified by the longshoremen as having received pesticide waste/excess residue, including the next catch basins in-line and downstream; and*
- *Adding an additional sample and using an area-composite sampling approach to assess surface soil in AOC 83.*

Response: The Phase III Work Plan has been revised as follows to address the above bulleted items.

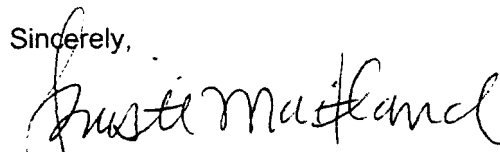
- As described in our above response to DEQ's specific comment on Section 2.1.1, sufficient groundwater sampling for metals and pesticide analysis has been conducted at or around well MW-18 to provide data for the human health and ecological risk assessment of the Facility. Therefore, the Phase III Work Plan was not revised to include further sampling and analysis at well MW-18.
- As described in our response to DEQ's specific comment on Section 2.1.2, sampling of materials resident in catch basins is not expected to be representative of historic or current materials transported in the storm water system to the river. In addition, sampling of the conveyance lines in Basin Q is being conducted as a part of the *Recontamination Assessment* and will allow for an assessment as to whether discharges from the Basin Q drainage area are impacting the river. Therefore, the Phase III Work Plan was not revised to include sampling and chemical analysis of sediments within and downstream of the catch basins identified by the longshoremen.
- As detailed in our response to DEQ's specific comment on Section 2.1.3, a composite sampling approach will be adopted to assess AOC 83 and Section 3.3 of the Phase III Work Plan has been revised to describe the approach, methods, and procedures for this sampling.

Mr. Tom Gainer
August 25, 2005
Page 8

In addition, Section 3.3 of the Phase III Work Plan was revised to include an additional soil sample at location SB-77 to be collected at 2 to 2.5 feet below grade to assist in the evaluation of the vertical extent of lead in this area.

We will be submitting the revised *Remedial Investigation Work Plan, Addendum for Phase III Work Scope* to DEQ within the next week. Please call me at (503) 944-7323 if you have questions.

Sincerely,

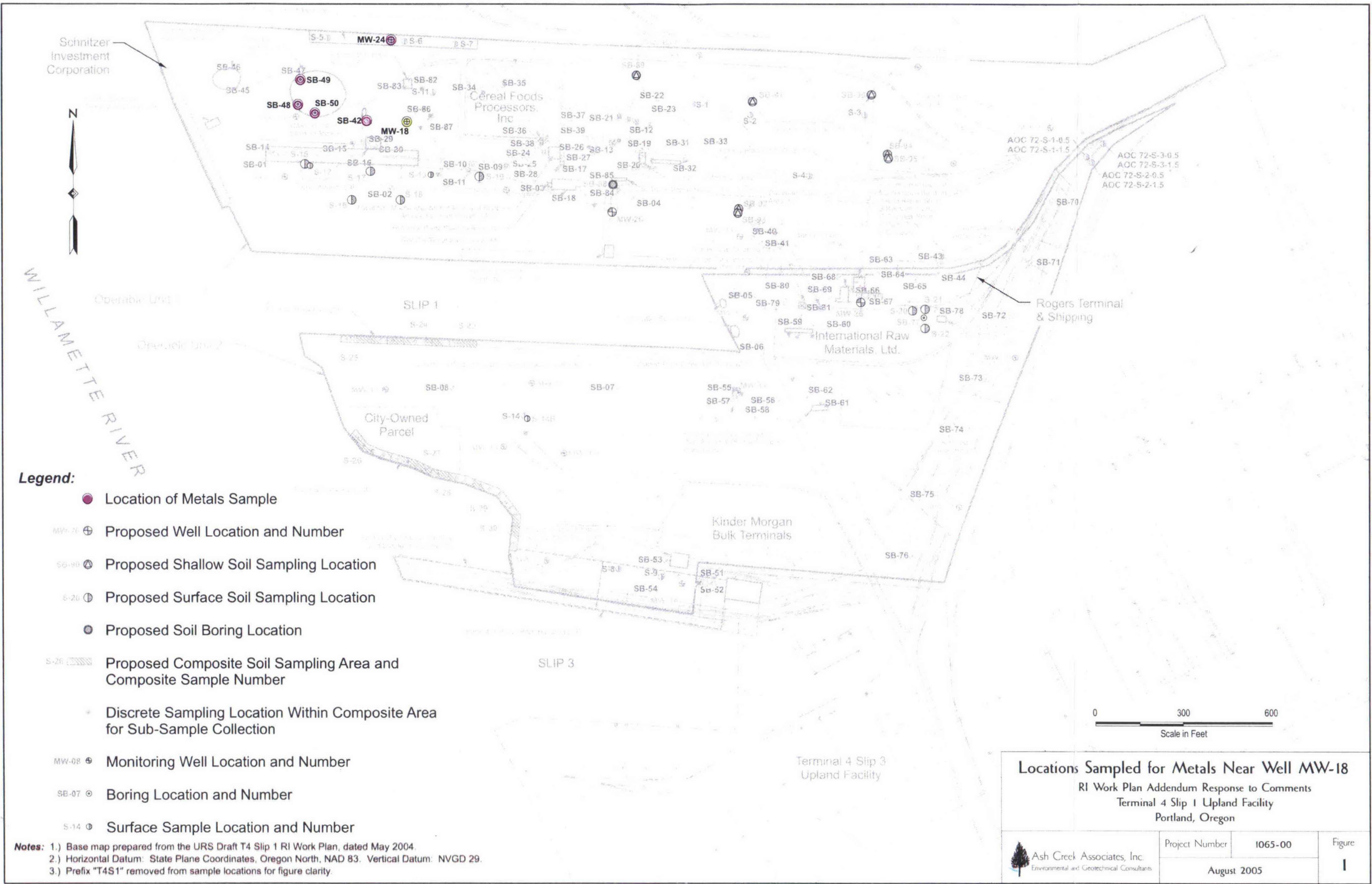


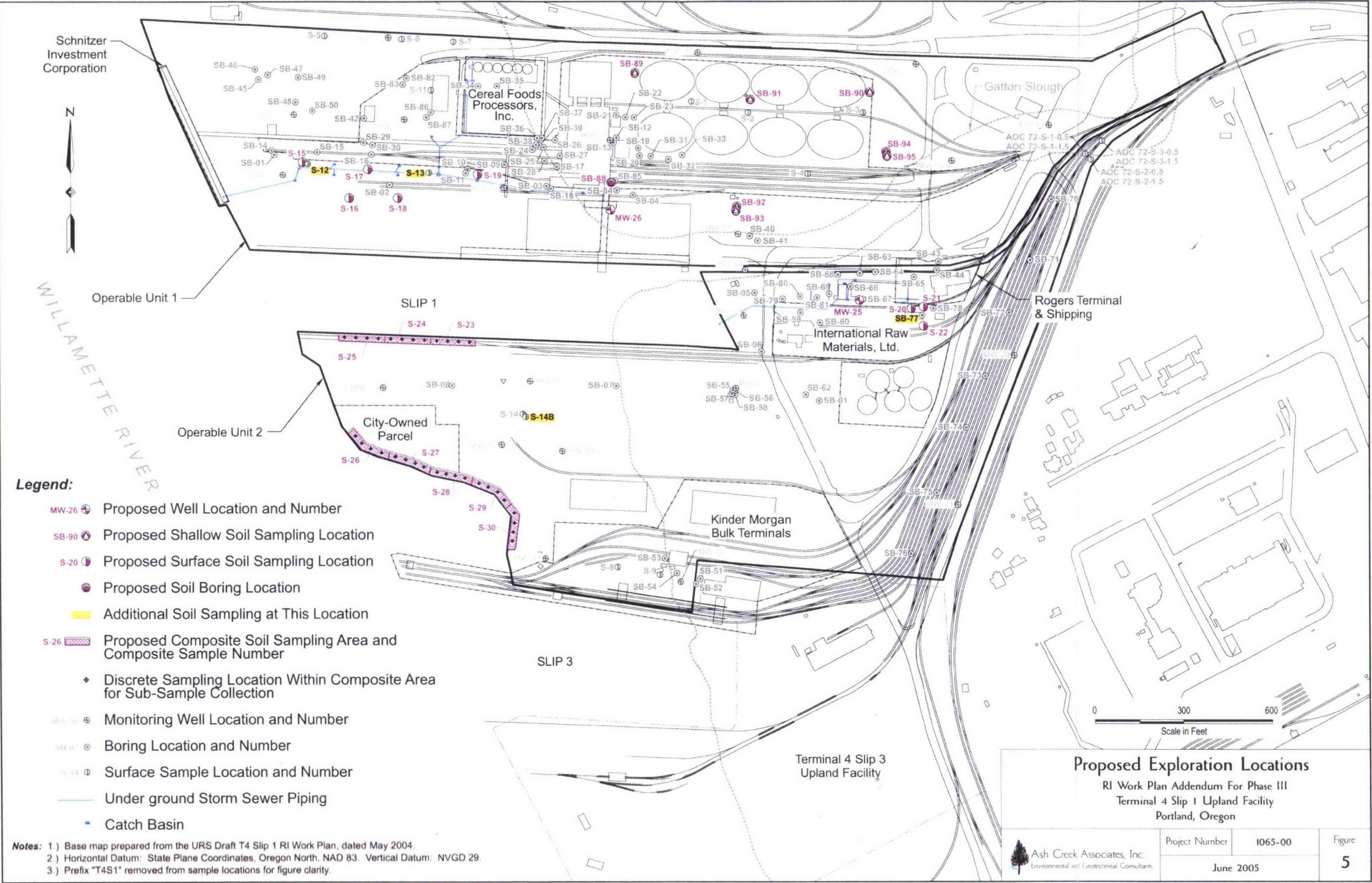
Kristi Maitland
Environmental Project Manager

Enclosures

c: Dana Bayuk, DEQ
Tom Roick, DEQ
Dennis Klein, Cargill Inc.
Kimberly Thorstad, Cargill Inc.
David Breen, Port
Krista Koehl, Port
Anne Summers, Port
Bob Teeter, Port
Amanda Spencer, Ash Creek
Philip Spadaro, BBL
James Beaver, BBL
Mark Lewis, NewFields

CARG001010





Legend:

- MW-26 ⊕ Proposed Well Location and Number
- SB-90 ⊙ Proposed Shallow Soil Sampling Location
- S-20 ⊙ Proposed Surface Soil Sampling Location
- ⊙ Proposed Soil Boring Location
- Additional Soil Sampling at This Location
- S-26 ■ Proposed Composite Soil Sampling Area and Composite Sample Number
- ◆ Discrete Sampling Location Within Composite Area for Sub-Sample Collection
- ⊕ Monitoring Well Location and Number
- ⊙ Boring Location and Number
- ⊙ Surface Sample Location and Number
- Under ground Storm Sewer Piping
- Catch Basin

Notes: 1.) Base map prepared from the URS Draft T4 Slip 1 RI Work Plan, dated May 2004.
2.) Horizontal Datum: State Plane Coordinates, Oregon North, NAD 83. Vertical Datum: NVGD 29.
3.) Prefix "T4S1" removed from sample locations for figure clarity.

Proposed Exploration Locations

RI Work Plan Addendum For Phase III
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

Ash Creek Associates, Inc.
Environmental and Geotechnical Consultants

Project Number	1065-00	Figure
June 2005		5

CARG001012

T-4 0097.PDF



June 21, 2005

Mr. Tom Gainer
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201-4987

**Subject: Additional Information on Areas of Concern at Operable Unit 1 (OU1)
Terminal 4 Slip 1 Upland Facility
ECSI No. 2365**

Dear Tom:

On June 1, 2005 the Port of Portland (Port) responded to your letter of April 19, 2005, which outlined additional potential areas of concern (AOC) identified by several longshoremen that previously worked at the former Cargill facility at the Terminal 4 Slip 1 Upland Facility (Facility). On June 15, 2005 the Port submitted the draft *Remedial Investigation (RI) Work Plan Addendum for Phase III Work Scope* (Phase III Work Plan) that includes additional investigation work in several areas identified by the longshoremen, at the direction of the Oregon Department of Environmental Quality (DEQ). The Port also provided your letter to our former tenant Cargill and asked them to respond and provide any information they had on the potential AOCs identified by the longshoremen.

Cargill's response to DEQ's letter is attached and the Port asks for your consideration of this information in your review of the Phase III Work Plan. Specifically, does DEQ believe that the scope of the Phase III Work Plan should change based on the information that Cargill has provided? For example, Cargill appears to question the Port's justification for agreeing to sample in and around the identified catch basins for pesticides and hydraulic oil in their responses 3 and 5. Obviously the Port does not want to perform any unnecessary or unreasonable sampling. The Port would appreciate if DEQ would specifically consider and respond to each element in Cargill's letter. Please let us know how to proceed based on the information that Cargill has provided.

Thank you in advance for considering this additional information. Please do not hesitate to contact me at (503) 944-7323 or Anne Summers at (503) 944-7508 if you have any questions or comments.

Sincerely,

 Kristi Maitland
Environmental Project Manager

Mr. Tom Gainer
June 21, 2005
Page 2

Enclosure

c: **Dennis Klein, Cargill Inc.**
Gene Loffler, CLD Pacific Grain
Kimberly Thorstad, Cargill Inc.
David Ashton, Port
Krista Koehl, Port
Anne Summers, Port
Bob Teeter, Port
Amanda Spencer, Ash Creek Associates
Mark Lewis, NewFields
James Beaver, BBL

CARG001015



June 3, 2005

Mr. David Ashton
Port of Portland
PO Box 3529
Portland, OR 97208

BY E-MAIL, FAX and MAIL

RE: Port of Portland Terminal 4 Operable Unit 1
Longshoreman's Allegations Related to On-Site Disposal Practices
Cargill File No. L38009-0504

Dear Mr. Ashton:

Cargill, Incorporated is providing this letter as a follow-up to our conference call on Thursday, May 26, 2005 with Kristi Maitland regarding historic information related to the additional sampling locations requested by the Oregon Department of Environmental Quality (DEQ) in their letter to the Port dated April 19, 2005. Prior to our conference call on May 26th, former Cargill and CLD employees were interviewed in regard to the issues raised by the longshoreman and provided the following information.

Comments from the DEQ's April 19th letter are presented below in italics followed by comments and information provided by Cargill and CLD employees.

Issue 1: Former 1,500-gallon Malathion above ground storage tank. This tank, or perhaps drums of spent Malathion, was regularly dumped on to the ground at this location.

Response 1: Former employees interviewed had no knowledge of any Malathion tank existing at the location indicated on your map or at any other location at the Leasehold. Malathion was used at the Leasehold, but it was delivered in drums, mixed in a mixing room, and then stored in and dispensed from 55-gallon drums. The Malathion mixture was sprayed onto grain traveling on the grain conveyor belts in the mixing room. Former employees familiar with this operation said that mixed product was used completely and that there was no residual or "spent" product to be disposed of.

Issue 2. Excess Malathion sprayed onto grain conveyor belts (immediately east of AOC #16 location) apparently flowed off the belts and streams flowed out from beneath the north facing door onto the ground.

Delivery Address:
15615 McGinty Road West
Wayzata, MN 55391-2398

Mail Address:
PO Box 5724
Minneapolis, MN 55440-5724

CARG001016

June 1, 2005

David Ashton

Page 2

Response 2: As stated above, Malathion was sprayed on the grain as it traveled on the grain conveyor belts. Former employees familiar with this grain treatment process said that the application method would not have resulted in "streams" flowing under a door and onto the ground.

Issue 3. & 5. Storm Water catch basin used to dump waste/excess pesticides.

Response 3. & 5. Former employees interviewed had no knowledge of such practices during Cargill's or CLD's occupation of the Leasehold. As cost conscious business entities, Cargill and CLD practice waste minimization and proper disposal methods; additionally Cargill's Guiding Principals demand legal and ethical behavior of all employees. The alleged behavior would have been contrary to Cargill's policies and procedures and therefore we find the allegations to be highly questionable. It is our understanding that the Port has recommended sampling in and around the catch basins for pesticides and hydraulic oils. We have no reason to believe that Cargill's or CLD's occupation of the Leasehold would contribute to any significant findings of that nature.

Issue 4. Significant Hydraulic leak (approximately 5 gallons/day) from this particular pump.

Response 4. The pump in question controlled the valves and shoot gates for four of the long-term grain storage tanks at the Leasehold. Because of its function, the pump was very small and seldom used. A five-gallon leak per day would have been very noticeable and effected the pumps ability to perform its function in a short period of time. Operationally, if such a leak existed, it would not have been allowed to persist. Additionally, the former employees interviewed had no knowledge of the presence of a leak of this type and routine maintenance checks and procedures are required to prevent this type of incident from occurring. We therefore believe this allegation is unfounded. We additionally note that the surrounding area is paved so incidental spillage that may have occurred during maintenance would have little if any environmental impact.

Issue 6. & 7. Dump sites, including creosote wastes.

Response 6. & 7. Former employees confirmed that used railroad ties were periodically stockpiled in Area 6 and possibly Area 7. Used railroad ties on the site were related to routine maintenance of the on-site railroad track. Neither Cargill or CLD ever engaged in any treatment, storage or disposal of creosote at the Leasehold.

Other comments:

Carbon tetrachloride was also used as a pesticide and was handled in the vicinity of AOC #11

Cargill was unable to locate any information relating to historic use of carbon tetrachloride at the facility. We understand that analytical results from a well in the area did not indicate any evidence of carbon tetrachloride contamination and that the Port intends to propose no further action related to this allegation.

June 1, 2005
David Ashton

Page 3

Aluminum phosphide was used as a pesticide within the eight grain tanks (AOC # 12). Groundwater samples downgradient of AOC #12 should be analyzed for pesticides.

We can confirm that aluminum phosphide was used as directed (as a fumigant) in the grain tanks. We are not aware of any scientific basis for a belief that gas generated from this aluminum phosphide fumigation or the resulting ash would have "escaped through the bottom of the tank" with the potential to impact ground water. It is our understanding that the Port will do analytical testing to determine if any impacts from Aluminum phosphide are present in down gradient wells.

We trust that this information will be helpful to the Port as you shape the focus and content of the Area Workplan. If we can provide further information or assistance, please let us know.

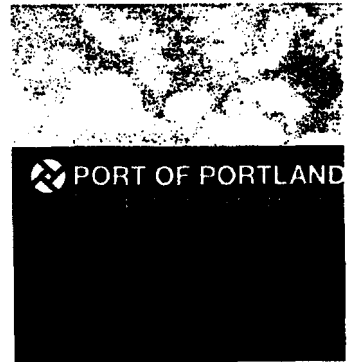
Sincerely,



Kimberly K. Thorstad

Cc: Dennis Klein, Cargill
Linda Childers, Cargill
Gene Loffler, CLD
Arnie Schaufler, CLD
Anne Summers, Port
Amanda Spencer, Ash Creek
Kristi Maitland, Port

T-4 0098.PDF



June 11, 2007

Mr. Tom Gainer
Mr. Tom Roick
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201-4987

**Subject: Revised Storm Water Evaluation Work Plan
Terminal 4 Slip 1 and Slip 3 Upland Facilities
ECSI Nos. 2365 & 272**

Dear Mr. Gainer and Mr. Roick:

Pursuant to the Oregon Department of Environmental Quality (DEQ) letter of April 26, 2007, enclosed please find the revised Storm Water Evaluation (SWE) Work Plan for the Terminal 4 Slip 1 and Slip 3 Upland Facilities (Facilities). The SWE Work Plan was revised consistent with the October 10, 2006 letter from Ash Creek Associates to DEQ. The October 10, 2006 Ash Creek Associates letter responded, on behalf of the Port of Portland (Port), to DEQ comments on the draft SWE document. To assist your review of the enclosed work plan, the attached table (Table 1) documents the actions taken in response to each of the DEQ comments.

As you know, the SWE was initiated January 1, 2007. The program was anticipated to be complete by end of June 2007. However, as discussed between Tom Gainer and Amanda Spencer of Ash Creek Associates on April 26, 2007, sediment accumulation in the sediment traps has been limited in some of the stormwater basins at the Facilities. Therefore, the Port is planning to continue the SWE program through fall 2007. The continued program will consist of a longer deployment period for the sediment traps and an additional storm water sampling event, as follows:

1. The sample bottles in the sediment traps will be removed as planned in June 2007 and the accumulated sediment frozen in accordance with appropriate laboratory protocols to preserve the samples for later analysis. In September 2007, or at the onset of the rainy season, clean, laboratory-supplied sample bottles will be placed in the sediment traps for re-deployment during fall 2007. The sediment that accumulates during the redeployment period will be composited with the sediment accumulated and frozen from the January through June 2007 deployment period prior to the laboratory analysis described in the enclosed SWE work plan.
2. An additional stormwater sampling event is planned for fall 2007 to capture a "first flush" storm following the summer dry season. Since January 2007, three stormwater events have been sampled at four of the five basins selected for stormwater sampling at the Facilities (Basins D, L, M, R); two events have been completed at Basin Q. The sampling has been conducted using composite stormwater sampling equipment as described in the enclosed SWE work plan. Due to equipment malfunction requiring repair at the manufacturer, a third sample event will not be possible from Basin Q this season. Therefore, by completion of the SWE activities, it is anticipated that four sampling events will have been completed at four of the basins selected for stormwater sampling at the Facilities (Basins D, L, M, R) and three

121 NW Everett Portland OR 97209
Box 3529 Portland OR 97208
503 944 7000

♻️ Printed on 100% recycled stock

CARG001020

Mr. Tom Gainer and Mr. Tom Roick
June 11, 2007
Page 2

events will have been completed at Basin Q. The storm water samples are being submitted for laboratory analysis consistent with the enclosed SWE work plan.

Please call me at (503) 944-7323 if you have any questions.

Sincerely,



Nicole LaFranchise
Environmental Project Manager

Attachments:

- 1) Table 1: Summary of Actions or Work Plan Revisions Completed in Response to DEQ Comments (3 copies)
- 2) Storm Water Evaluation Work Plan Terminal 4 Slip 1 and Slip 3 Upland Facilities (3 copies)

c: **Dennis Klein, Cargill Inc.** (w/o attachments)
Kimberly Thorstad, Cargill Inc. (w/o attachments)
Gene Loffler, CLD Pacific Grain LLC (w/o attachments)
Arnie Schaufler, CLD Pacific Grain LLC (w/o attachments)
David Ashton, Port (w/o attachments)
David Breen, Port
Krista Koehl, Port (w/o attachments)
Anne Summers, Port (w/o attachments)
Bob Teeter, Port (w/o attachments)
Amanda Spencer, Ash Creek Associates (w/o attachments)
Andy Koulermos, NewFields (w/o attachments)
LWP File

T-4 0099.PDF



June 3, 2005

Mr. David Ashton
Port of Portland
PO Box 3529
Portland, OR 97208

BY E-MAIL, FAX and MAIL

RE: Port of Portland Terminal 4 Operable Unit 1
Longshoreman's Allegations Related to On-Site Disposal Practices
Cargill File No. L38009-0504

Dear Mr. Ashton:

Cargill, Incorporated is providing this letter as a follow-up to our conference call on Thursday, May 26, 2005 with Kristi Maitland regarding historic information related to the additional sampling locations requested by the Oregon Department of Environmental Quality (DEQ) in their letter to the Port dated April 19, 2005. Prior to our conference call on May 26th, former Cargill and CLD employees were interviewed in regard to the issues raised by the longshoreman and provided the following information.

Comments from the DEQ's April 19th letter are presented below in italics followed by comments and information provided by Cargill and CLD employees.

Issue 1: Former 1,500-gallon Malathion above ground storage tank. This tank, or perhaps drums of spent Malathion, was regularly dumped on to the ground at this location.

Response 1: Former employees interviewed had no knowledge of any Malathion tank existing at the location indicated on your map or at any other location at the Leasehold. Malathion was used at the Leasehold, but it was delivered in drums, mixed in a mixing room, and then stored in and dispensed from 55-gallon drums. The Malathion mixture was sprayed onto grain traveling on the grain conveyor belts in the mixing room. Former employees familiar with this operation said that mixed product was used completely and that there was no residual or "spent" product to be disposed of.

Issue 2. Excess Malathion sprayed onto grain conveyor belts (immediately east of AOC #16 location) apparently flowed off the belts and streams flowed out from beneath the north facing door onto the ground.

Delivery Address:
15615 McGinty Road West
Wayzata, MN 55391-2398

Mail Address:
PO Box 5724
Minneapolis, MN 55440-5724

CARG001023

June 1, 2005
David Ashton
Page 2

Response 2: As stated above, Malathion was sprayed on the grain as it traveled on the grain conveyor belts. Former employees familiar with this grain treatment process said that the application method would not have resulted in "streams" flowing under a door and onto the ground.

Issue 3. & 5. Storm Water catch basin used to dump waste/excess pesticides.

Response 3. & 5. Former employees interviewed had no knowledge of such practices during Cargill's or CLD's occupation of the Leasehold. As cost conscious business entities, Cargill and CLD practice waste minimization and proper disposal methods; additionally Cargill's Guiding Principals demand legal and ethical behavior of all employees. The alleged behavior would have been contrary to Cargill's policies and procedures and therefore we find the allegations to be highly questionable. It is our understanding that the Port has recommended sampling in and around the catch basins for pesticides and hydraulic oils. We have no reason to believe that Cargill's or CLD's occupation of the Leasehold would contribute to any significant findings of that nature.

Issue 4. Significant Hydraulic leak (approximately 5 gallons/day) from this particular pump.

Response 4. The pump in question controlled the valves and shoot gates for four of the long-term grain storage tanks at the Leasehold. Because of its function, the pump was very small and seldom used. A five-gallon leak per day would have been very noticeable and effected the pumps ability to perform its function in a short period of time. Operationally, if such a leak existed, it would not have been allowed to persist. Additionally, the former employees interviewed had no knowledge of the presence of a leak of this type and routine maintenance checks and procedures are required to prevent this type of incident from occurring. We therefore believe this allegation is unfounded. We additionally note that the surrounding area is paved so incidental spillage that may have occurred during maintenance would have little if any environmental impact.

Issue 6. & 7. Dump sites, including creosote wastes.

Response 6. & 7. Former employees confirmed that used railroad ties were periodically stockpiled in Area 6 and possibly Area 7. Used railroad ties on the site were related to routine maintenance of the on-site railroad track. Neither Cargill or CLD ever engaged in any treatment, storage or disposal of creosote at the Leasehold.

Other comments:

Carbon tetrachloride was also used as a pesticide and was handled in the vicinity of AOC #11

Cargill was unable to locate any information relating to historic use of carbon tetrachloride at the facility. We understand that analytical results from a well in the area did not indicate any evidence of carbon tetrachloride contamination and that the Port intends to propose no further action related to this allegation.

June 1, 2005
David Ashton
Page 3

Aluminum phosphide was used as a pesticide within the eight grain tanks (AOC # 12). Groundwater samples downgradient of AOC #12 should be analyzed for pesticides.

We can confirm that aluminum phosphide was used as directed (as a fumigant) in the grain tanks. We are not aware of any scientific basis for a belief that gas generated from this aluminum phosphide fumigation or the resulting ash would have "escaped through the bottom of the tank" with the potential to impact ground water. It is our understanding that the Port will do analytical testing to determine if any impacts from Aluminum phosphide are present in down gradient wells.

We trust that this information will be helpful to the Port as you shape the focus and content of the Area Workplan. If we can provide further information or assistance, please let us know.

Sincerely,


Kimberly K. Thorstad

Cc: Dennis Klein, Cargill
Linda Childers, Cargill
Gene Loffler, CLD
Arnie Schaufler, CLD
Anne Summers, Port
Amanda Spencer, Ash Creek
Kristi Maitland, Port

T-4 0100.PDF



PORT OF PORTLAND

May 13, 2005

Writer's Direct Line: (503) 944-7090
Writer's Fax Line: (503) 944-7038
Writer's Email Address: ashtod@portptld.com

Cargill Incorporated
Cargill Office Center
P.O. Box 9300
Minneapolis, MN 55440-9300

Mr. Arnie Schaufler
General Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

Mr. Gene Loffler
Operations Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

Mr. Dennis Klein
Cargill Incorporated
P.O. Box 9300/Dept. 1
Minneapolis, MN 55440-9300

BY MAIL AND FACSIMILE

Re: Port of Portland Terminal 4 Operable Unit 1: Further Lease Notice and Demand for Reimbursement for Remedial Investigation Costs

Dear Messrs. Schaufler, Loffler and Klein:

Cargill's environmental impacts associated with its former Port of Portland Terminal 4 facilities continue to receive much scrutiny. The purpose of this letter is twofold: to provide additional notice of Cargill's continuing default of its lease obligations to the Port and to demand the reimbursement of past and future cleanup costs.

On November 20, 2003, the Port gave notice to Cargill under Section 12.4 of Cargill's Lease (dated July 1, 1975, as amended). Section 12.14 of the Lease requires Cargill to remedy any

Cargill

Further Lease Notice and Demand for Reimbursement for Remedial Investigation Costs

May 13, 2005

Page 2

contamination for which it is responsible, and in the event Cargill fails to do so, the Port has the right to remedy the contamination and charge Cargill.

On December 4, 2003, the Port executed a Voluntary Cleanup Program Agreement ("VCP Agreement") with the Oregon Department of Environmental Quality (DEQ) for remedial investigation, source control measures and remedy feasibility study at the Terminal 4 Slip 1 Upland area, including the Cargill Leasehold. Based on information provided in Cargill's December 2003 Environmental Site Assessment report, recognized environmental conditions identified at the Cargill Leasehold, and other environmental concerns associated with the location of the facility in the Portland Harbor Superfund Site, DEQ required the Port to investigate Cargill facilities that it considered to be potential sources of contamination to the uplands or the Superfund Site sediments.

By letter dated December 29, 2003, the Port and Cargill reached agreement on the terms and conditions for termination of the Lease, and Cargill acknowledged and agreed that "Unresolved Environmental Matters" would survive the termination of the Lease. Since that time, however, Cargill has taken no steps to resolve those matters or address the additional matters identified by DEQ.

Despite such inaction, however, the Port has kept Cargill informed of the progress of the site remedial investigation and has thereby provided Cargill with the opportunity to participate in how the environmental conditions at the Cargill site are resolved. In addition, the Port has at various times requested assistance and information from Cargill in relation to the remedial investigation of the facility but has received little or no responsive assistance or information to focus and further the remedial investigation.

Since December 2003, the Port has implemented the Remedial Investigation ("RI") of the Terminal 4 Slip 1 Upland Facility. Phase 1 and 2 field-work has been completed. Data validation is ongoing and a phase 3 site investigation work plan for submission to DEQ is under development. To date, the following Port deliverables and DEQ approvals and/or responses have been exchanged in connection with the facility:

- Port Draft Remedial Investigation Proposal; dated January 23, 2004
- DEQ Remedial Investigation Proposal Response; dated February 18, 2004
- Port Draft Remedial Investigation Work Plan; dated May 11, 2004
- Port Response Letter to DEQ Comments on Remedial Investigation Work Plan; dated August 2, 2004
- DEQ Draft Remedial Investigation Work Plan Response; dated August 4, 2004
- Port Remedial Investigation Phase I Data Summary Report; dated August 9, 2004
- Port Quarterly Progress Reports for: March 15, 2004; June 25, 2004; October 4, 2004; December 16, 2004; and March 14, 2005.

Cargill

Further Lease Notice and Demand for Reimbursement for Remedial Investigation Costs

May 13, 2005

Page 3

The Port has also been asked by DEQ to respond to allegations by longshoremen of pesticide mismanagement and disposal at the former Cargill Leasehold.

Through April 30, 2005, the Port has incurred \$289,376.67 in consulting, analytical, and agency oversight costs that are attributable to investigation of the Cargill Leasehold and immediately adjacent areas, not including prejudgment interest. The Port demands payment of these past costs. In addition, the Port has incurred substantial internal project management and implementation and project legal costs. If you would like to review backup cost documentation, let us know.

We would appreciate the opportunity to meet with you to discuss payment of the Port's past and future investigation costs and to explain how the Port will be moving forward with completion of the remedial investigation, remedy selection and implementation of cleanup regarding the Operable Unit 1 former Cargill Leasehold.

Sincerely,



David Ashton
Assistant General Counsel
Port of Portland

cc: Sam Ruda, Port of Portland
Kim Thorstad, Cargill



CARG001029

T-4 0101.PDF

Duplicate



May 13, 2005

Writer's Direct Line: (503) 944-7090
Writer's Fax Line: (503) 944-7038
Writer's Email Address: ashtod@portptld.com

Ms. Kim Thorstad
Cargill Incorporated
P.O. Box 5624
Minneapolis, MN 55440-5624

BY E-MAIL, FAX AND MAIL

Re: Port of Portland Terminal 4 Operable Unit 1: Longshoremen's Allegations of Illegal Disposal at Cargill Plant Site

Dear Ms. Thorstad:

As indicated in my voicemail and the Port's updated demand letter regarding the above contamination facility, DEQ is asking the Port to address in its remedial investigation phase 3 workplan the allegations of various longshoremen regarding Cargill's onsite disposal practices. It would be much appreciated if Cargill could respond orally and in writing to these allegations, since the Port has no independent historical facts to refute the assertions made against Cargill. DEQ's requirements and justification are attached. Cargill's response will help shape the focus and contents of the Port's workplan.

Please call me as soon as possible. Is one week sufficient time for Cargill to address this?

Sincerely,

David Ashton
Assistant General Counsel
Port of Portland

Attachment (DEQ letter dated April 19, 2005)

cc: Anne Summers



Oregon

Theodore Kulongoski, Governor

Cargill folder
Department of Environmental Quality
Northwest Region Portland Office
2020 SW 4th Avenue, Suite 400
Portland, OR 97201-4987
(503) 229-5263
FAX (503) 229-6945
TTY (503) 229-5471

April 19, 2005

Ms. Kristi Maitland
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Phase III Remedial Investigation Work Plan
Terminal 4 Slip 1
ECSI #2365

Dear Kristi:

On April 14, 2005, the Department of Environmental Quality (DEQ) met on site with several longshoremen that worked at the former Cargill facility at the Terminal 4 Slip 1 Site (T4S1; see attached attendance list). The purpose of the meeting was for them to provide potential new information regarding areas of concern based on their work experience at the facility. Based on meeting discussions, the following additional sampling locations should be incorporated into the T4S1 Phase III Remedial Investigation Work Plan and are shown on the attached figure.

1. Former 1,500-gallon Malathion above ground storage tank. This tank, or perhaps drums of spent Malathion, was regularly dumped on to the ground at this location.
2. Excess Malathion sprayed on to grain conveyor belts (immediately east of AOC #16 location) apparently flowed off the belts and streams flowed out from beneath the north-facing door on to the ground.
3. Storm water catch basin used to dump waste/excess pesticides.
4. Significant hydraulic leak (~5 gallons/day) from this particular pump.
5. Storm water catch basin used to dump waste/excess pesticides.
6. and 7. Dump sites, including creosote wastes.

Other information from the longshoremen that should be incorporated into the Phase III RI Work Plan included:

- Carbon tetrachloride was also used as a pesticide and was handled in the vicinity of Area of Concern (AOC) #11.

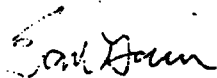
CARG001032

- Aluminum phosphide was used as a pesticide within the eight grain tanks (AOC #12). This pesticide was delivered in pellet form through tubes inside each tank, where it volatilized and fumigated the grain. The longshoremen believe that this pesticide residue still exists on the interior surfaces of the tanks and may have escaped through holes in the steel tank floors. The gaseous pesticide vented out the tops of the tanks, and accumulation in soil from airborne deposition outside the tanks is unlikely. Groundwater samples downgradient of AOC #12 should be analyzed for pesticides (i.e., MW-3, MW-8, and MW-17).

Next Steps

Please incorporate these additional sampling locations into the Phase III RI Work Plan. Please call me at (503) 229-5326 if you have questions.

Sincerely,

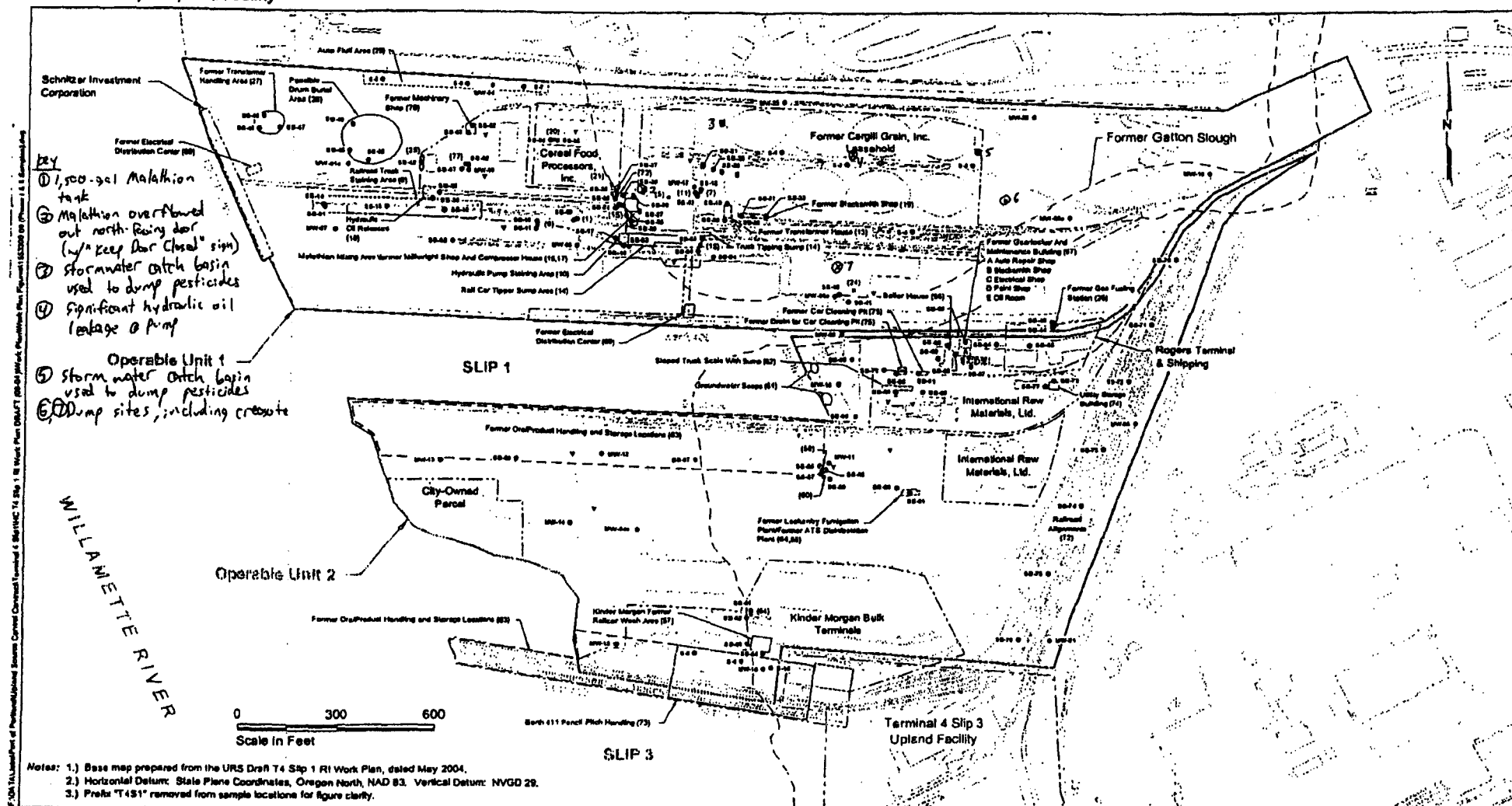


Tom Gainer, P.E.
Project Manager
Cleanup & Portland Harbor Section

Attachments

cc: Anne Summers, Port
Amanda Spencer, Ash Creek
Dana Bayuk, DEQ NWR





Phase I and Proposed Phase II Sample Locations
Port of Portland
Terminal 4 Slip 1 Upland Facility



Legend:

SPW-10	Phase I Monitoring Well Location and Number
SB-01	Phase I Soil Boring Location and Number
SB-10	Phase II Surface Soil Sample Location and Number
SB-08	Phase II Soil Boring Location and Number
SPW-02	Phase II Monitoring Well Location and Number

Area of Concern:

 Former Structure
 Existing Structure
 Existing Waste Pile
 Former Ore Handling Area

• Former Above Ground Tank	• Former Cesspools
• Existing Above Ground Tank	• Former Deep Well
• Former Underground Ground Tank	• Former PCB-Containing Transformer
• Existing Underground Ground Tank	(69) Area of Concern Number

HARTCROWSER
15533-00 8/04
Figure 9

4/14/05 Mtg. @ T451

Name

Organization

Jane Davis Oregon Center for Environmental Health 241-3766

JAMES STRADER LOCAL-8 CARGILL 503 786 7076

Gary Brannan Local-8 Cargill 503 429-7904

Shane M. Pederson Local-8 Cargill (503) 381-6335

Courtney Smith Local-8 Cargill 503 407-6603

Alex Pulaski Oregonian 503-221-8516

Julie Sullivan Oregonian 503-221-8068

Amanda Spencer Ash Cree 503-577-1535

Tom Gainer DEQ

Present but didn't sign in:

Ron Lesticko Union

Oregonian photographer

T-4 0102.PDF



June 3, 2005

Mr. David Ashton
Port of Portland
PO Box 3529
Portland, OR 97208

BY E-MAIL, FAX and MAIL

RE: Port of Portland Terminal 4 Operable Unit 1
Longshoreman's Allegations Related to On-Site Disposal Practices
Cargill File No. L38009-0504

Dear Mr. Ashton:

Cargill, Incorporated is providing this letter as a follow-up to our conference call on Thursday, May 26, 2005 with Kristi Maitland regarding historic information related to the additional sampling locations requested by the Oregon Department of Environmental Quality (DEQ) in their letter to the Port dated April 19, 2005. Prior to our conference call on May 26th, former Cargill and CLD employees were interviewed in regard to the issues raised by the longshoreman and provided the following information.

Comments from the DEQ's April 19th letter are presented below in italics followed by comments and information provided by Cargill and CLD employees.

Issue 1: Former 1,500-gallon Malathion above ground storage tank. This tank, or perhaps drums of spent Malathion, was regularly dumped on to the ground at this location.

Response 1: Former employees interviewed had no knowledge of any Malathion tank existing at the location indicated on your map or at any other location at the Leasehold. Malathion was used at the Leasehold, but it was delivered in drums, mixed in a mixing room, and then stored in and dispensed from 55-gallon drums. The Malathion mixture was sprayed onto grain traveling on the grain conveyor belts in the mixing room. Former employees familiar with this operation said that mixed product was used completely and that there was no residual or "spent" product to be disposed of.

Issue 2. Excess Malathion sprayed onto grain conveyor belts (immediately east of AOC #16 location) apparently flowed off the belts and streams flowed out from beneath the north facing door onto the ground.

Delivery Address:
15615 McGinty Road West
Wayzata, MN 55391-2398

Mail Address:
PO Box 5724
Minneapolis, MN 55440-5724

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David Ashton
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Response 2: As stated above, Malathion was sprayed on the grain as it traveled on the grain conveyor belts. Former employees familiar with this grain treatment process said that the application method would not have resulted in "streams" flowing under a door and onto the ground.

Issue 3. & 5. Storm Water catch basin used to dump waste/excess pesticides.

Response 3. & 5. Former employees interviewed had no knowledge of such practices during Cargill's or CLD's occupation of the Leasehold. As cost conscious business entities, Cargill and CLD practice waste minimization and proper disposal methods; additionally Cargill's Guiding Principals demand legal and ethical behavior of all employees. The alleged behavior would have been contrary to Cargill's policies and procedures and therefore we find the allegations to be highly questionable. It is our understanding that the Port has recommended sampling in and around the catch basins for pesticides and hydraulic oils. We have no reason to believe that Cargill's or CLD's occupation of the Leasehold would contribute to any significant findings of that nature.

Issue 4. Significant Hydraulic leak (approximately 5 gallons/day) from this particular pump.

Response 4. The pump in question controlled the valves and shoot gates for four of the long-term grain storage tanks at the Leasehold. Because of its function, the pump was very small and seldom used. A five-gallon leak per day would have been very noticeable and effected the pumps ability to perform its function in a short period of time. Operationally, if such a leak existed, it would not have been allowed to persist. Additionally, the former employees interviewed had no knowledge of the presence of a leak of this type and routine maintenance checks and procedures are required to prevent this type of incident from occurring. We therefore believe this allegation is unfounded. We additionally note that the surrounding area is paved so incidental spillage that may have occurred during maintenance would have little if any environmental impact.

Issue 6. & 7. Dump sites, including creosote wastes.

Response 6. & 7. Former employees confirmed that used railroad ties were periodically stockpiled in Area 6 and possibly Area 7. Used railroad ties on the site were related to routine maintenance of the on-site railroad track. Neither Cargill or CLD ever engaged in any treatment, storage or disposal of creosote at the Leasehold.

Other comments:

Carbon tetrachloride was also used as a pesticide and was handled in the vicinity of AOC #11

Cargill was unable to locate any information relating to historic use of carbon tetrachloride at the facility. We understand that analytical results from a well in the area did not indicate any evidence of carbon tetrachloride contamination and that the Port intends to propose no further action related to this allegation.

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Aluminum phosphide was used as a pesticide within the eight grain tanks (AOC # 12). Groundwater samples downgradient of AOC #12 should be analyzed for pesticides.

We can confirm that aluminum phosphide was used as directed (as a fumigant) in the grain tanks. We are not aware of any scientific basis for a belief that gas generated from this aluminum phosphide fumigation or the resulting ash would have "escaped through the bottom of the tank" with the potential to impact ground water. It is our understanding that the Port will do analytical testing to determine if any impacts from Aluminum phosphide are present in down gradient wells.

We trust that this information will be helpful to the Port as you shape the focus and content of the Area Workplan. If we can provide further information or assistance, please let us know.

Sincerely,



Kimberly K. Thorstad

Cc: Dennis Klein, Cargill
Linda Childers, Cargill
Gene Loffler, CLD
Arnie Schaufler, CLD
Anne Summers, Port
Amanda Spencer, Ash Creek
Kristi Maitland, Port

T-4 0103.PDF



June 1, 2005

Mr. Tom Gainer
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201-4987

**Subject: Additional Potential Areas of Concern at Operable Unit 1 (OU1)
Terminal 4 Slip 1 Upland Facility
ECSI No. 2365**

Dear Tom:

This letter responds to your letter of April 19, 2005, which outlines additional potential areas of concern (AOC) identified by several longshoremen that previously worked at the former Cargill facility at the Terminal 4 Slip 1 Upland Facility (Facility). The letter listed areas that should be considered for sampling in Phase III of the Remedial Investigation (RI) of the Facility based on information provided to the Oregon Department of Environmental Quality (DEQ) by the longshoremen. The following discussion lists in italics each of the AOCs identified in your April 19 letter, and presents the Port's approach for addressing the AOC. Cargill was contacted regarding the contents of the letter and may provide additional information for DEQ's consideration under separate cover. The attached Figure 1 identifies the locations of the AOCs, and the location of previous sampling conducted during Phases I and II of the RI.

1. *Former 1,500-gallon Malathion above ground storage tank. This tank, or perhaps drums of spent Malathion, was regularly dumped on to the ground at this location.*

Soil in this area was sampled during Phase II of the RI as part of the investigation of AOC #16 (Malathion Mixing Area). Borings SB-25, SB-27, and SB-28 were located directly within the area noted by the longshoremen (please see Figure 1 for the locations of these borings and the area identified by the longshoremen). Soil samples were collected from each of these borings at a depth of one foot and analyzed for pesticides, including Malathion. Table 1 provides the analytical results for pesticides in the samples collected from these borings. Malathion was not detected in the soil samples. In addition, boring SB-24 was installed directly adjacent to this area and a soil sample collected from 13 feet below grade was analyzed for pesticides. Malathion was not detected in this deeper sample. These results are consistent with the known relative non-persistence of Malathion in soils.

Low concentrations of gamma Chlordane (4.8 µg/kg), DDT (8.2 µg/kg or less) and DDE (5 µg/kg or less) were detected in the one-foot samples from SB-25; no other pesticides were detected above method reporting limits in the surface or deeper soil samples collected from this area. As shown on Figure 1, the four borings installed in or adjacent to this area are sufficient to characterize the presence of pesticides, including Malathion, in this potential AOC identified by the longshoremen. Therefore, no further characterization is warranted in this area.

2. *Excess Malathion sprayed on to grain conveyor belts (immediately east of AOC #16 location) apparently flowed off the belts and streams flowed out from beneath the north-facing door on to the ground.*

Boring SB-26, installed during the Phase II activities, is located directly north of the north-facing door referenced above (Figure 1). A one-foot soil sample was collected at this location and analyzed for pesticides, including Malathion. Pesticides (including Malathion) were not detected above the analytical laboratory method reporting limits (Table 1). For this reason and the relative non-persistence of Malathion in soils, no further characterization is warranted in this area.

3. *Storm water catch basin used to dump waste/excess pesticides [west of grain storage tanks].*

This area will be identified as AOC #78. Soil sampling will be conducted adjacent to this catch basin during Phase III of the RI. The scope and procedures for the sampling will be discussed in the Phase III Work Plan.

It is noted that this catch basin discharges to an outfall located near the head of Slip 1. The sediments in Slip 1 are currently being characterized and remediated as a part of the Early Action at Terminal 4.

4. *Significant hydraulic leak (\approx 5 gallons/day) from this particular pump.*

This area will be identified as AOC #79. Soil sampling for hydraulic oil constituents will be conducted in this area during Phase III of the RI. The scope and procedures for the sampling will be discussed in the Phase III Work Plan.

5. *Storm water catch basin used to dump waste/excess pesticides [east of grain storage tanks].*

This area will be identified as AOC #80. Soil sampling will be conducted adjacent to this catch basin during Phase III of the RI. The scope and procedures for the sampling will be discussed in the Phase III Work Plan.

It is noted that this catch basin discharges to an outfall located near the head of Slip 1. The sediments in Slip 1 are currently being characterized and remediated as a part of the Early Action at Terminal 4.

6. and 7. *Dump sites, including creosote wastes.*

These areas will be identified as AOC #81 and AOC #82. Soil sampling will be conducted in these areas during Phase III of the RI. The scope and procedures for the sampling will be discussed in the Phase III Work Plan.

8. *Carbon Tetrachloride was also used as a pesticide and was handled in the vicinity of Area of Concern (AOC) #11.*

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June 1, 2005
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Monitoring well MW-17 and soil boring SB-12 were installed in the vicinity of AOC #11 (Figure 1). Groundwater samples were collected from these locations and analyzed for volatile organic compounds, including carbon tetrachloride, using EPA Method 8260B. Carbon tetrachloride was not detected above the method reporting limit of 0.5 µg/L at either location. Additionally, groundwater samples were collected from 43 grab groundwater sampling locations and 8 groundwater monitoring wells in Operable Unit 1 (OU1) and were analyzed for VOCs (EPA Method 8260B) during Phase I and Phase II activities. Carbon tetrachloride was not detected above laboratory method reporting limits in any of these samples.

Carbon tetrachloride is highly volatile, and if released to surface soil would not be expected to persist near the surface. Carbon tetrachloride that is able to percolate through the soil does not tend to adhere to soil particles and would travel to groundwater (ATSDR – Toxicological Profile of Carbon Tetrachloride; September 2003). Based on the nature of carbon tetrachloride, the existing groundwater sampling results indicate that carbon tetrachloride use and potential releases at the Facility have not impacted groundwater or deeper soil. Therefore, further sampling and analysis for carbon tetrachloride does not appear warranted.

Additionally, DEQ requested that groundwater samples from monitoring wells MW-3, MW-8, and MW-17 be analyzed for pesticides. Pesticide analysis, both organochlorine and organophosphate, has been conducted on samples from monitoring wells MW-3 and MW-8 during each of the four rounds of sampling conducted as a part of the RI. Pesticide analysis was conducted on water samples from MW-17 during the first sampling event, but was not scheduled for pesticide analysis in the second or third sampling events in accordance with the RI Work Plan (Hart Crowser, August 2004). Groundwater samples for pesticide analysis were included in the fourth sampling event at this well conducted in early May 2005. Pesticide results for the first round of sampling were tabulated in the Phase I Data Summary Report prepared by Hart Crowser and submitted to DEQ in August 2004. Pesticide results for the first three rounds of groundwater sampling are currently being tabulated and will be provided as an Appendix in the Phase III Work Plan.

Please do not hesitate to contact me at (503) 944-7323 or Anne Summers at (503) 944-7508 if you have any questions or comments regarding our proposed additional sampling.

Sincerely,



Kristi Maitland
Environmental Project Manager

Enclosures:

Table 1: Soil Chemistry Results: Pesticides – Operable Unit 1
Figure 1: Site Plan

CARG001043

Mr. Tom Gainer
June 1, 2005
Page 4

c: **Dennis Klein, Cargill Inc.**
 Gene Loffler, CLD Pacific Grain
 Kimberly Thorstad, Cargill Inc.
 David Ashton, Port
 Krista Koehl, Port
 Anne Summers, Port
 Bob Teeter, Port
 Amanda Spencer, Ash Creek Associates
 Mark Lewis, NewFields
 James Beaver, BBL

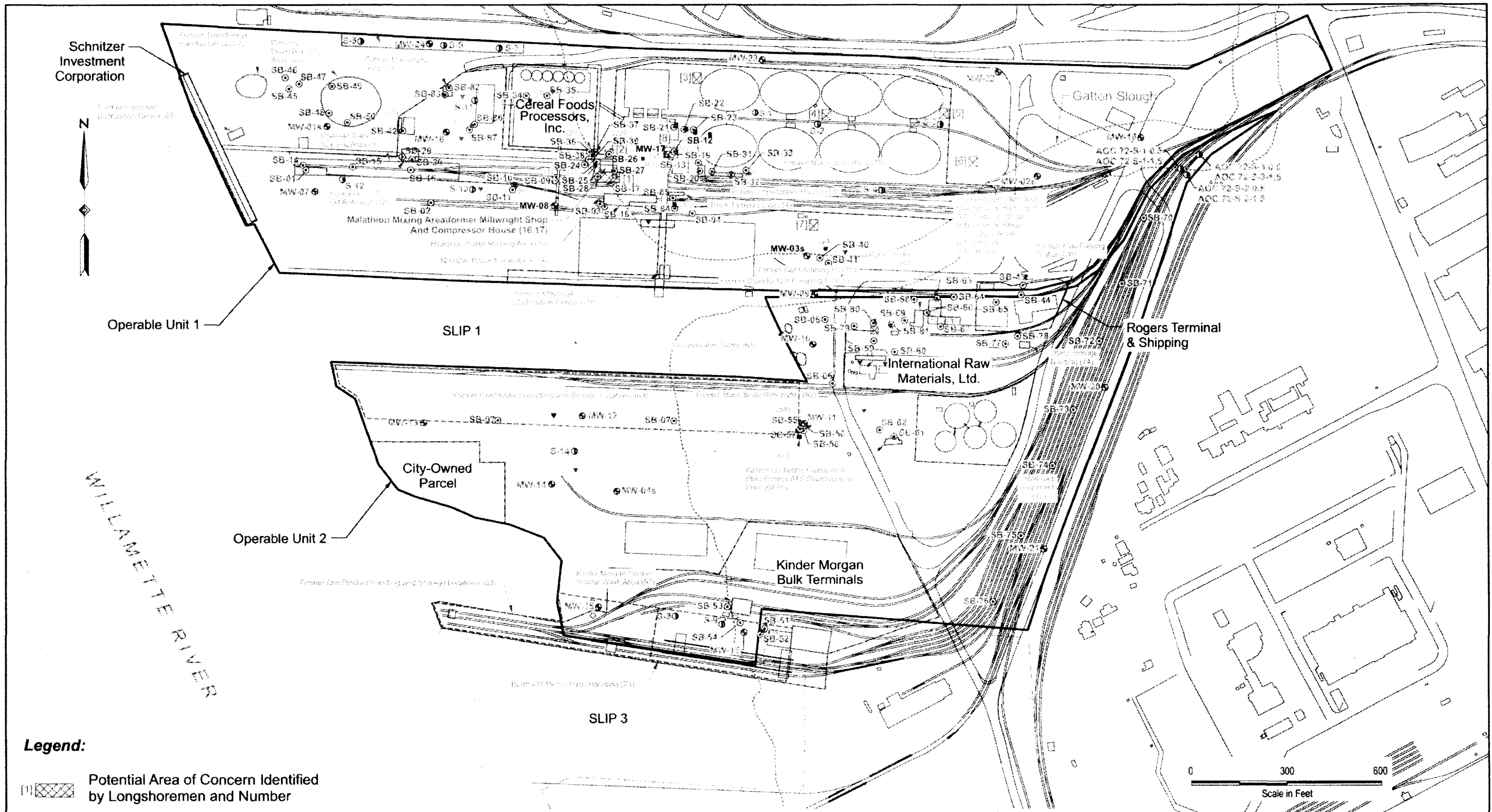
TABLE 1
SOIL CHEMISTRY RESULTS: PESTICIDES - OU1

REMEDIAL INVESTIGATION
PORT OF PORTLAND - TERMINAL 4 SLIP 1

Sample ID: Date Sampled:	Screening Levels		T4S1SB-24-13-1	T4S1SB-25-1-1	T4S1SB-26-1-1	T4S1SB-27-1-1	T4S1SB-28-1-1
	PRG	SLV	8/25/2004	8/25/2004	8/25/2004	8/25/2004	8/25/2004
Pesticides (µg/kg)							
delta-BHC	—	—	3.4 U	3.4 U	3.4 U	3.4 U	3.4 U
Heptachlor	380	15,000	3.4 U	3.4 U	3.4 U	3.4 U	3.4 U
Aldrin	100	25,000	3.4 U	3.4 U	3.4 U	3.4 U	3.4 U
gamma-Chlordane	6,500	9,000	3.4 U	4.8	0.78 J	3.4 U	3.4 U
Endosulfan I	3,700,000	20,000	3.4 U	3.4 U	3.4 U	3.4 U	3.4 U
alpha-Chlordane	6,500	9,000	3.4 U	3.4 J	1.1 J	3.4 Ui	3.4 U
Dieldrin	110	300	3.4 U	3.4 U	3.4 U	3.4 Ui	3.4 U
4,4'-DDE	7,000	10	3.4 U	5	1.5 J	0.9 JP	3.4 U
Endrin	180,000	40	3.4 U	2.2 J	1.7 JP	3.4 U	3.4 U
4,4'-DDD	10,000	10	3.4 U	3.4 U	3.4 U	3.4 U	3.4 U
Endrin Aldehyde	—	—	3.4 U	3.4 U	3.4 U	1.4 JP	3.4 U
4,4'-DDT	7,000	10	3.4 U	8.2	7.8 P	3.9 P	3.4 U
Endrin Ketone	—	—	3.4 U	3.4 Ui	3.4 Ui	1.9 J	3.4 U
Methoxychlor	3,100,000	500,000	3.4 U	3.4 U	4.5 P	3.4 U	3.4 U
Malethion	12,000,000	—	50 U	99 U	50 U	100 U	100 U

Notes:

- Only detected compounds are reported in the table.
- Organochlorine Pesticides by EPA Method 8081A. Organophosphorus Pesticides by EPA Method 8141A.
- µg/kg = Micrograms per kilogram.
- PRG = EPA Region 9 Preliminary Remediation Goal (PRG) for Industrial Soil (October 2004).
- SLV = Oregon Department of Environmental Quality Level II Screening Level Values (SLVs) for Terrestrial Receptors (lowest available value).
- = No screening level available or not analyzed.
- J = The result is an estimated concentration that is less than the method reporting limit (MRL) but greater than or equal to the method detection limit (MDL).
- U = The compound was analyzed for but was not detected at or above the MRL/MDL. The value presented is the MRL.
- P = The GC or HPLC confirmation criterion was exceeded. The relative percent difference is greater than 40 percent between the two analytical results.
- i = The MRL/MDL was elevated due to a chromatographic interference.
- Sample ID nomenclature is per the following: type of sample-sample number-depth in feet-designation.
For example T4S1SB-46-1-1 = soil boring (SB) number 46, collected 1 foot below the ground surface, primary sample (1). T4S1S-6 = surface soil sample number 6.



Legend:

- | | | | |
|---|---|--|--|
| (1) [Hatched Box] Potential Area of Concern Identified by Longshoremen and Number | [Solid Line Box] Former or Existing Structure | [Star Symbol] Former Above Ground Tank | [Star Symbol] Former Cesspools |
| [Circle with Dot] Monitoring Well Location and Number | [Circle] Existing Waste Pile | [Star with Plus] Existing Above Ground Tank | [Star with X] Former Deep Well |
| [Circle with Cross] Boring Location and Number | [Dashed Line Box] Former Ore Handling Area | [Star with Square] Former Underground Tank | [Star with Triangle] Former PCB-Containing Transformer |
| [Circle with Plus] Surface Sample Location and Number | | [Star with Circle] Existing Underground Tank | |
- Notes:** 1.) Base map prepared from the URS Draft T4 Slip 1 RI Work Plan, dated May 2004.
 2.) Horizontal Datum: State Plane Coordinates, Oregon North, NAD 83. Vertical Datum: NVGD 29.
 3.) Prefix "T4S1" removed from sample locations for figure clarity.
- Area of Concern Number

Site Plan RI Work Plan Addendum For Phase III Terminal 4 Slip 1 Upland Facility Portland, Oregon		
 Ash Creek Associates, Inc. Environmental and Geotechnical Consultants	Project Number	1065-00
	April 2005	
	Figure	1

T-4 0104.PDF



August 2, 2004

Mr. Tom Gainer
Senior Environmental Engineer
Cleanup/Portland Harbor
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201

**Subject: Response to Comments
Draft Remedial Investigation Work Plan
Terminal 4 Slip 1 Upland Facility
ECSI No. 2365**

Dear Mr. Gainer:

This letter responds to the Department of Environmental Quality (DEQ) comments on the May 2004 *Draft Remedial Investigation (RI) Work Plan* for the Terminal 4 Slip 1 Upland Facility ("the Facility"). The draft RI Work Plan was prepared by URS Corporation and submitted on behalf of the Port of Portland (Port). The draft RI Work Plan was prepared in accordance with the Scope of Work outlined in the *Voluntary Cleanup Program Agreement for Remedial Investigation, Source Control Measures, and Feasibility Study*, effective December 4, 2003 (VCP Agreement). The DEQ comments on the draft RI Work Plan were presented in a June 10, 2004 letter to the Port. The Port's response to the DEQ comments of June 10 was discussed in a meeting with DEQ staff held on July 14, 2004 and is documented herein.

The June 10 DEQ letter provided General, Specific and Sampling and Analysis Plan Comments. The comments are presented (or summarized) below in italics followed by the Port's response.

Response to General Comment

***DEQ Comment:** DEQ is concerned that without confirmatory information regarding the locations of underground AOCs, the data collection objectives of the uplands RI may not be met. DEQ recommends that the Port consider conducting field work prior to initiating drilling to further assess the locations of underground AOCs as necessary. The pre-drilling work could include excavating exploratory test pits using a backhoe or geophysical surveys (e.g., ground penetrating radar).*

Port Response: In the July 14 meeting, the Port proposed an alternative approach for assessing and identifying Areas of Concern (AOCs) that addresses the DEQ concern. The Port proposes using groundwater analysis as the indicator of the presence of impact from potential AOCs. This approach is premised on the fact that the AOCs at the Facility involve historical (e.g., occurred more than 30 years ago) or long-time (e.g., have been occurring for 30 or more years) operations. If chemicals were released from in an AOC, the chemicals have had sufficient time to leach to groundwater and the area of impact

will be larger and easier to locate than the soil impact. Therefore, because the exact locations of some of the AOCs are not known, groundwater quality assessment will provide the most reliable indicator of the presence of an AOC. The Port requested that Hart Crowser evaluate each potential AOC identified in Table 2 of the draft RI Work Plan to determine the appropriate assessment technique for identifying an AOC. Where the location of the AOC is generally known, surface (for surface features) or subsurface (for underground features) soil sampling is combined with groundwater analysis to evaluate the AOC. Where the exact location of the AOC is not known, groundwater sampling is proposed to identify whether the potential AOC has caused an impact. In these cases, if an impact is determined through groundwater sampling, additional soil and/or groundwater sampling may be completed during Phase III of the RI to assess the lateral and vertical extent.

To demonstrate the effectiveness of this approach, the Port has prepared the attached Table 1, which lists each of the AOCs to be investigated and provides the rationale supporting the use of groundwater as an indicator for potential impact at the appropriate AOCs. Figure 1 provides a map illustrating proposed boring locations. For the most part, the locations are the same as in the draft RI Work Plan, although some locations have been shifted slightly to be either more centrally located within a potential AOC or in a downgradient position to the potential AOC. Table 1 identifies the locations that have been moved and provides the supporting rationale for the move.

It is noted that minor changes to some of the analytical suites proposed in the draft RI Work Plan are also presented on Table 1 with the supporting rationale (e.g., using HCID to identify the presence of petroleum hydrocarbons, followed by quantification if present).

Response to Specific Comments

DEQ Comment: Sections 2.1.5 and 3.3 It is not appropriate to exclude permitted storm water discharges from the RI. All storm water discharges should be evaluated as potential contaminant migration pathways to the Willamette River. Storm water and/or catch basin sediment sampling may be appropriate for complete migration pathways (i.e., there are potential contaminant sources to storm water that could be transported to the river by pipe or overland). Existing permit sampling data can be used as an initial evaluation, but additional analyses for chemicals of interest are typically required.

Port Response: It is not the Port's intention to exclude permitted stormwater discharges from the RI. The draft RI Work Plan proposes stormwater characterization activities as part of Phase II of the RI to include:

- Compiling stormwater permit documents and implementation plans;
- Documenting and evaluating stormwater BMPs employed at the site; and
- Documenting and evaluating the condition of the stormwater system relative to site activities and the potential for pollutant transport.

Following completion of Phase II activities, specifically the analysis of surface soil chemical analysis results from Phases I and II of the RI, recommendations for further

stormwater assessment (including catch basin sediment sampling or stormwater sampling, if appropriate) will be presented in the Phase II Data Summary/Phase III Evaluation Report. If further stormwater assessment is necessary, it would then be completed during Phase III of the RI.

DEQ Comment: Section 3.3 (Stormwater Characterization) references a "Phase II Data Summary/Phase III Evaluation Report" that will assess the potential for storm water to contact soil impacted by COIs and provide recommendations for additional work, if appropriate. Further references to this report were not found. It's not mentioned in Section 6.0 (RI Report Preparation), and is not shown in Table 2 (Project Documents and Schedule for Delivery to DEQ) or on Figure 4 (Project Schedule) of the Project Management Plan.

Port Response: If results of Phase II activities demonstrate that additional field work is needed (i.e., Phase III field work) to better define AOCs and complete the RI, a Phase II Data Summary/Phase III Evaluation Report will be prepared that summarizes the Phase II analytical data and proposes the scope for Phase III activities. If Phase III activities are not needed and the RI is complete upon the completion of the Phase II activities, this report will not be prepared and the project will proceed to the preparation of the RI Report, as described in Section 6.0. The RI Work Plan will be revised to clarify this reporting process.

DEQ Comment: Section 2.3 and Table 2 DEQ recommends revising COIs proposed for the following individual AOCs:

AOC 9, Railroad Track Staining Area. Creosote is a complex mixture of organic chemicals, many of which may not be included in a U.S. Environmental Protection Agency (USEPA) 8270C, Selective Ion Method (SIM) analysis of polycyclic aromatic hydrocarbons (PAHs) associated with petroleum hydrocarbons. Some of these chemicals (e.g., dibenzofuran, carbazole) have screening criteria applicable to the uplands RI. DEQ recommends analyzing soil samples for semi-volatile organic compounds (SVOCs), including PAHs, to account for potential impacts to soil by creosote.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCs (including PAHs) for soil samples collected at AOC 9.

AOC 12, General Pesticide Usage. The RI Work Plan indicates that the industrial activities in OU1 included use of rodent and pest control, and that, "The quantities, types, storage areas, and application areas of these pesticides are not known." Although COI are identified for Area 12, an approach for locating and assessing the locations of the referenced pesticide use areas is not included and should be proposed.

Port Response: As discussed in the July 14, 2004 meeting, the RI Work Plan will be revised to include surface soil sampling across the former Cargill leasehold to address this concern. Figure 1 and Table 1 identify the proposed additional surface soil sampling locations. The surface soil samples will be analyzed for organochlorine pesticides by EPA Method 8081A and organophosphorus pesticides by EPA Method 8041A.

AOC 25, Waste Pile. The RI Work Plan indicates that railroad ties were disposed of in the waste pile, and that information regarding the period of use, the waste types, and disposal practices for this AOC are not documented. Given the presence of potential impacts to soil by creosote and the unknown history of the waste pile, DEQ recommends that SVOCs, including PAHs, be added to the list of COI.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCs (including PAHs) for soil samples collected at AOC 25.

AOC 54, Hall-Buck T-24. According to the RI Work Plan, "This tank is described as a 10,000-gallon UST of unknown contents that was reportedly removed." An assumption is made that the UST was formerly used for petroleum product storage. DEQ recommends that polychlorinated biphenyls (PCBs) and metals be added to the list of COI in the event used oil was placed in the UST.

Port Response: The RI Work Plan will be revised to include the analysis of PCBs and metals on samples collected at AOC 54.

AOC 60, City CPD T-44. If, as the RI Work Plan indicates, this AOC could be the same as AOC 58, then the list of COIs should be the same. As such, DEQ recommends that metals be added to the COI list for AOC 60.

Port Response: Metals will be added to the COI list for AOC 60.

AOC 64, Former Leckenby Fumigation Plant. If pesticides are not detected at this AOC, DEQ will require additional information to make the determination that they are absent. Additional information could include; 1) assessing the types and usage of pesticides during the period of fumigation plant operation, and 2) evaluating whether the chemicals included in the USEPA Method 8081A and USEPA Method 8141A analyte lists are reasonably expected to be detected (i.e., were the chemicals being manufactured during the period of fumigation plant operation).

Port Response: The Port will assess the types and usage of pesticides typically used during the period the fumigation plant operated to support the use of the proposed pesticide analytical suites. This information will be included in the revised RI Work Plan.

AOC 72, Railroad Alignments. See DEQ's comments above for AOC 9 (Railroad Track Staining Area) and AOC 25 (Waste Pile) regarding analyzing samples for SVOCs, including PAHs.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCs (including PAHs) for surface soil samples collected at AOC 72.

AOC 74, Utility Storage Building. Port employees indicate this building was formerly used to store hazardous materials, including "paint supplies and industrial cleaning agents." Given the general nature of the information regarding the stored materials and the potential for paints to have been present, DEQ recommends that metals and SVOCs, including PAHs, be added to the list of COI for this AOC.

Port Response: The RI Work Plan will be revised to include the analysis of metals and SVOCs (including PAHs) for soil samples collected at AOC 72.

DEQ Comment: Section 3.2.2 *This paragraph describes the general approach for assessing the potential impacts to the environment associated with AOCs that handled fluids or discharged fluids to the subsurface, and those that did not. The text suggests that assessment of potential impacts to groundwater by AOCs where fluids were not handled will be conducted during Phase III of the RI if appropriate.*

DEQ recommends that the Port consider collecting reconnaissance groundwater samples at these AOCs if they are located downgradient of AOCs that handled fluids. This information could provide useful information on the nature and extent of potential groundwater impacts and could reduce duplicative drilling and sampling work.

Port Response: The Port's proposed approach for assessing subsurface and surface AOCs was discussed in the July 14, 2004 meeting and is described in our response to the DEQ General Comment on Page 1 of this letter.

DEQ Comment: Section 3.2.3 *The RI Work Plan does not appear to propose much in the way of additional work to assess the influence these pathways could have on groundwater flow at the site. In addition, proposals for collecting data regarding the hydraulic properties of the "fill/upper alluvium" hydrogeologic unit and the fine-grained confining unit are not included in the RI Work Plan.*

Port Response: The objective of Phase I and II field activities is to assess whether potential AOCs identified in the RI Work Plan based on a detailed historical review of the Facility have impacted groundwater (or soil). If groundwater impacts are not identified during these field activities, a detailed understanding of the site hydrogeology is not warranted. If groundwater impacts are identified, additional hydrogeologic characterization will be proposed for Phase III activities, as appropriate to assess the potential migration of groundwater from the area of impact to the river and/or for assessment of source control measures.

DEQ Comment: Section 3.3 *Storm water sampling will likely be necessary (see comment above). It is not clear if you are proposing to conduct such sampling during Phase III activities.*

Port Response: See response to DEQ comments on Section 2.1.5 and 3.3 on Page 2 of this letter.

DEQ Comment: Section 4.3 *Water use at the subject site should reference the evaluation presented in Section 7.3 the T4 Slip 3 RI (January 21, 2000).*

Port Response: The Water Use discussion for the Facility will reference, as appropriate, the evaluation presented in the Terminal 4 Slip 3 RI in the revised RI Work Plan.

DEQ Comment: Section 5.1.2 *The probable effects concentrations (PECs) for freshwater sediments should be added to screen erodible soil that could migrate to river sediment by pipe or overland transport. Similarly, PECs should be added to Table 6 in Appendix A.*

Port Response: These evaluations are a part of a stormwater characterization process. As described above, stormwater assessment will be developed based on the results of surface soil sampling conducted during Phase I and II of the RI and, if additional sampling is warranted, the sampling will be completed during Phase III of the RI. As a part of this evaluation process, the appropriate screening criteria for Phase I and II data will be proposed and discussed with the DEQ, and presented in the Phase II Data Summary/Phase III Evaluation Report.

DEQ Comment: *Figure 9 DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.*

Port Response: As described in our response to the DEQ General Comment and detailed on Table 1, impact to site media from these potential AOCs will be assessed through groundwater sampling and analysis. Therefore, groundwater samples from borings located directly adjacent to and downgradient of these potential AOCs will provide the most useful data to assess whether these potential AOCs have impacted soil and groundwater. Figure 1 illustrates the proposed sampling locations at these AOCs.

Response to Sampling and Analysis Plan Comments

DEQ Comment: *Section 3.2 Although not specifically stated in the RI Work Plan, DEQ expects that monitoring wells will be installed in a boring separate from the soil boring. That is, at drilling locations designated for monitoring wells, after the soil boring has been completed and the depth of the monitoring well selected, drilling equipment will be moved and the monitoring well boring will be advanced within a few feet of the corresponding soil boring. Given the status of the T4/S1 RI (i.e., limited drilling and sampling completed within the interior of the site) and the locations of proposed borings (i.e., in or near AOCs), this approach will minimize, to the extent practicable, the potential for shallow impacted material to fall down the borehole into the screened interval of the monitoring well.*

Port Response: In the July 14, 2004 meeting, DEQ further clarified its concern that soil borings would be installed using push probe techniques to advance a small diameter hole. Following completion of the soil boring, the push probe equipment would be removed and larger diameter push probe equipment would then be advanced in the same hole for completion of the monitoring well. The Port will not use this technique for monitoring well installation and the RI Work Plan will be revised to clarify well installation procedures.

DEQ Comment: *Section 5.1 Section 2.3.1 (OU1 Areas of Concern) of the RI Work Plan indicates that the source of suspected impacts in AOC 29 (Schnitzer Auto Fluff Area) is "...dust, particulate matter, and projectiles that accumulate on the ground surface..." Therefore, DEQ recommends that, if they are not already included in the soil sampling program, surface soil samples be collected at each of the boring locations shown in Figure 3.*

Port Response: Surface soil samples are proposed for the Schnitzer Auto Fluff Area and Figure 3 will be revised to clarify the collection of surface samples at the sampling locations in this area.

DEQ Comment: *Section 7.2 A sentence should be added to this paragraph that indicates water level measurements will be made prior to initiating sampling activities at a monitoring well.*

Port Response: The RI Work Plan will be revised to include a sentence clarifying that water level measurements will be collected prior to initiating groundwater sampling activities.

Additionally, there appear to be two stabilization criteria provided for determining when a monitoring well should be sampled. The first set of criteria is the bulleted list of items from Section 3.3 (Monitoring Well Development). The second criterion uses a "10% of the previous reading" approach. DEQ requests clarification as to which set will be used during monitoring well sampling.

Port Response: The Port will adopt the second criterion: 10% of the previous reading.

DEQ Comment: *Section 7.2 This section of the Sampling and Analysis Plan (SAP) indicates that, "Dissolved metals samples will be collected using a new, in-line disposable 40-micron filter." DEQ believes the Port intends to use a 0.45-micron filter.*

Port Response: This is correct and the RI Work Plan will be so revised.

DEQ Comment: *Section 8.7.3 Table 5 of the SAP indicates that many of the analyte specific laboratory method reporting limits are greater than human and/or ecological screening levels. The text of the SAP does not describe how this data will be reviewed and managed (e.g., if not detected will these analytes be retained as "chemicals of potential concern"). DEQ requests that this information be provided.*

Port Response: The data will be reviewed to assess the general results and trends to determine whether non-detect analytes will be retained as potential COPCs. For example, if other analytes in a particular analytical suite are non-detect (and these detection limits are below screening criteria), it would be reasonable to conclude that the few compounds with detection limits above criteria are not present and do not warrant being retained as COPCs. On the other hand, if many other compounds in the analysis suite have been detected, the compounds with detection limits exceeding screening criteria would reasonably be retained as COPCs. The RI Work Plan will be revised to clarify this approach.

DEQ Comment: *Table 2 The meaning of Note 3 is unclear. DEQ requests that it be further explained. In addition, the table should be revised to incorporate DEQ's comments regarding AOCs made to Section 2.3 (Areas of Concern) of the RI Work Plan.*

Mr. Tom Gainer
August 2, 2004
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Port Response: As discussed in the July 14, 2004 meeting, Note 3 on Table 2 will be clarified and the table will be revised to include the additional analytes recommended by the DEQ in its June 10 comments letter (and discussed above).

DEQ Comment: Table 4 This table indicates "rinsate blanks" will be collected and analyzed for water samples. The first paragraph of Section 7.2 (Groundwater Sample Collection) of the SAP indicates that groundwater samples will be collected using dedicated decontaminated tubing and/or bailers that are discarded between uses. As such, rinsate blanks would not appear to be applicable to groundwater samples.

Port Response: Agreed.

In addition, this table does not include a column showing the numbers of duplicate soil and/or water samples that will be collected and analyzed during the field program. The table should be revised accordingly.

Port Response: The table will be revised accordingly.

DEQ Comment: Tables 5 and 6 These tables do not provide MRLs and/or screening criteria for the list of SVOCs analyzed for using USEPA Method 8270C (see Table 4 of the SAP). Both tables should be revised accordingly.

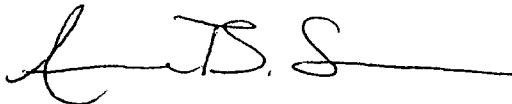
Port Response: The tables will be revised accordingly.

DEQ Comment: Figure 3 DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.

Port Response: Please see the response to the Specific DEQ comment on Figure 9 (Page 6 of this letter).

As we discussed in our meeting of July 14, the Port will revise and resubmit the RI Work Plan once we have received your approval of this response to comments. Please do not hesitate to call me at (503) 944-7323 or Anne Summers at (503) 944-7508 if you have questions.

Sincerely,



 Kristi Maitland
Environmental Project Manager

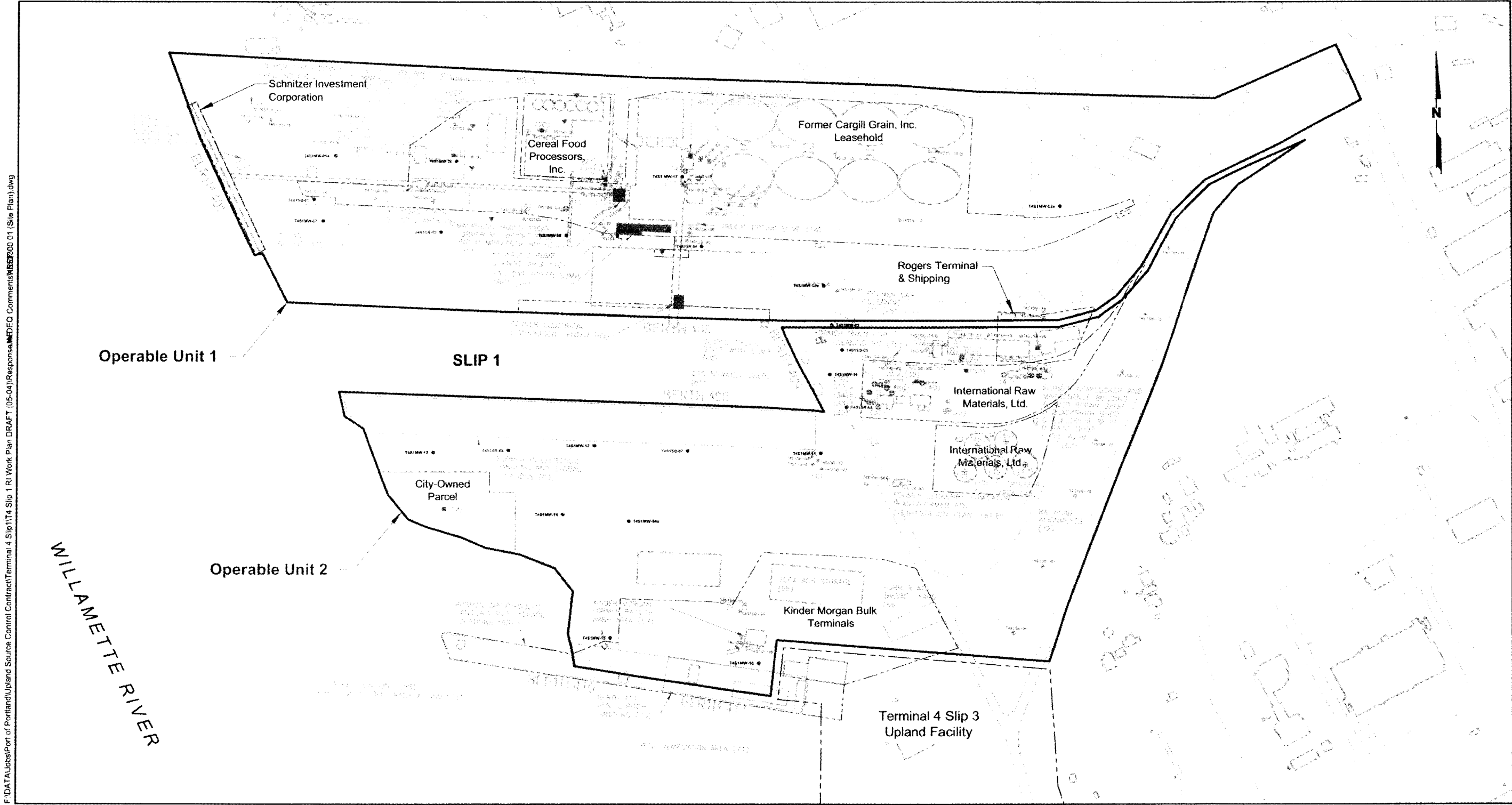
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August 2, 2004
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Enclosures:

Table 1: Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Figure 1: Phase I and Proposed Phase II RI Sampling Locations

c: Dana Bayuk, DEQ
Dennis Klein, Cargill Inc.
Kimberly Thorstad, Cargill Inc.
David Ashton, Port
Krista Born, Port
Phil Ralston, Port
Anne Summers, Port
Bob Teeter, Port
Amanda Spencer, Hart Crowser

Phase I and Proposed Phase II Sample Locations
Port of Portland
Terminal 4 Slip 1 Upland Facility



F:\DATA\Jobs\Port of Portland\Upland Source Control\Terminal 4 Slip 1\T4 Slip 1 RI Work Plan Phase I and Phase II Sample Locations provided by URS, dated May 2004. 2.) Horizontal Datum: State Plane Coordinates, Oregon North, NAD 83. Vertical Datum: NVGD 29.

Notes: 1.) Base map prepared from the Draft T4 Slip 1 RI Work Plan Phase I and Phase II Sample Locations provided by URS, dated May 2004. 2.) Horizontal Datum: State Plane Coordinates, Oregon North, NAD 83. Vertical Datum: NVGD 29.

Legend:

- T4S1MW-12 ● Monitoring Well Location and Number
- T4S1SB-07 ● Soil Boring Location and Number

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ^a	Description	Summary of RI Activities	Analytical Methods ^b	Proposed Changes and Rationale ^c	Exploration or Sample Designations	Sampling Activities ^{2,3,9}					
										Surface Soil		Subsurface Soil		Groundwater	
										Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
1	Cargill T-45	OU1	Former Cargill Leasehold	Exact	Cargill Tank #45: 675-gallon, steel, diesel AST, removed in September, 2003. Locomotive and other small equipment fueling. Adsorbent material observed on ground near former tank location.	Drill one boring adjacent to former AST.	HCID, VOCs, PAHs	HCID instead of TPHg and TPHd; See note 8 for rationale. Because this is a surface feature, subsurface soil samples will not be collected; see Note 9 for rationale.	T4S1SB-09	--	1	--	0	--	1
5	Cargill T-22	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #22: 500-gallon, "Heater" Fuel Oil UST, DEQ file # 401. Tank was located in the basement of the Grain Storage Building in an area with limited access. Surface is paved.	UST was reported to be in basement of building and is inaccessible. Other borings and monitoring wells will be installed at locations across and downgradient of this AOC.	TPH-Gx, TPH-Dx, VOCs, PAHs	No Change.	--	--	--	--	--	--	--
6	Cargill T-23	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #23: 1,000-gallon, Diesel UST, DEQ file # 401. Decommissioned (date unknown). Located southwest of the headhouse. Reportedly removed in 1989.	Drill two borings adjacent to former UST.	HCID, VOCs, PAHs	HCID instead of TPHg and TPHd; See note 8 for rationale. No surface soil collection - releases, if occurred, would be subsurface.	T4S1SB-10	--	0	--	1	--	1
									T4S1SB-11	--	0	--	1	--	1
7	Cargill T-85	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #85. (may be same as #22)/ Used Oil, removed in 1993, DEQ file # 401.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals [OCC, OCP - surface soil only]	HCID instead of TPHg and TPHd; See note 8 for rationale. Surface soil only to be analyzed for pesticides. No surface soil collection - releases, if occurred, would be subsurface.	T4S1SB-12	--	1	--	1	--	1
									T4S1SB-13	--	0	--	1	--	1
9	Railroad Track Staining Area	OU1	Former Cargill Leasehold	Exact	Tracks between Berth 401 and the Track Shed. Track staining was identified by URS and ATC during their site reconnaissances.	Drill one monitoring well and two soil borings downgradient of and three borings adjacent to railroad tracks.	HCID, VOCs, SVOCs	HCID instead of TPHg and TPHd; See note 8 for rationale.	T4S1MW-07	--	--	--	--	1	1
									T4S1SB-01	--	--	--	--	1	--
									T4S1SB-02	--	--	--	--	1	--
									T4S1SB-14	--	1	--	--	--	1
									T4S1SB-15	--	1	--	--	--	1
									T4S1SB-16	--	1	--	--	--	1
10	Cargill Hydraulic Pump Area Staining	OU1	Former Cargill Leasehold	Exact	Staining around the two hydraulic pump units was identified by URS and ATC during the site reconnaissance.	Drill one monitoring well downgradient of and two borings adjacent to the hydraulic pumps.	HCID, VOCs, PAHs, PCBs	HCID instead of TPHg and TPHd; See note 8 for rationale.	T4S1MW-08	--	--	--	--	1	1
									T4S1SB-03	--	--	--	--	1	--
									T4S1SB-17	--	1	--	--	--	--
									T4S1SB-18	--	1	--	--	--	--
11	Cargill Former Deep Well	OU1	Former Cargill Leasehold	Known	1953 drawing shows the well supplied water to the Dust House. Well was filled in 1992 with cement according to Oregon Water Well Report dated April 27, 1992. Field notes indicate approximately 7 feet of oil seen on top of water, beginning at 27 feet bgs. Spencer Environmental pumped 307 gallons of "product" from the well, and PCB tests were negative.	Drill monitoring well adjacent to and two borings downgradient of former well.	TPH-Gx, TPH-Dx, VOCs, PAHs	No change.	T4S1MW-17	--	--	--	--	1	1
									T4S1SB-03	--	--	--	--	(1)	--
									T4S1SB-04	--	--	--	--	1	--
12	General Pesticide Usage	OU1	Former Cargill Leasehold	General	Pesticides used in Cargill operations. Quantities, types, and storage areas not known.	Review procedures for pesticide use, including quantity and type	TPH-Gx, TPH-Dx, OCP, OPP	Petroleum not used, so TPH analysis not necessary. Collect 4 surface soil samples for pesticide analysis in locations where they were applied and randomly within grain storage area	T4S1SS14 through T4S1SS-17	--	4	--	--	--	--
13	Former Transformer House	OU1	Former Cargill Leasehold, Southwest of Grain Storage Area	Known	Built ~1918, had below-ground transformer storage. Demolished in 1977. Transformer type not known.	Drill two borings within footprint of former transformer house.	TPH-Gx, TPH-Dx, PAHs, PCBs [also OCC, OCP on surface soils]	Groundwater sampling will be conducted to identify whether this is an area of concern, if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9.	T4S1SB-19	--	1	--	0	--	1
									T4S1SB-20	--	1	--	0	--	1
14	Cargill Basement Level Sumps	OU1	Former Cargill Leasehold, Cargill Rail Car Tipper Sump	Exact	Cargill Rail Car Tipper Sump contained "discolored and odorous" liquid (likely groundwater) observed during Facility walk. Additional sump at Truck Tipper Scale.	Drill one monitoring well and two borings downgradient of and one boring adjacent to sumps.	HCID, VOCs, PAHs, PCBs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale.	T4S1MW-08	--	--	--	--	(1)	(1)
									T4S1SB-03	--	--	--	--	(1)	--
									T4S1SB-04	--	--	--	--	(1)	--
									T4S1SB-90	--	0	--	0	--	1
15	Abandoned Cesspools	OU1	Former Cargill Leasehold, Several locations	4 Known, 2 Approx.	4 cesspools identified on maps west of the grain storage silos were labeled as demolished. 2 cesspools (south of the Cargill Truck Dump and west of the former Millwright Shop) were noted on undated Cargill blueprints.	Drill five borings adjacent to former cesspools.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, OCP, OPP, Metals	Gasoline unlikely; will only quantify if VOC pattern indicates gasoline is present. Location of probes shifted inside of cesspool footprints because cesspools are abandoned. Groundwater sampling will be conducted to determine if cesspool an AOC, see Note 9 for rationale.	T4S1SB-21	--	1	--	0	--	1
									T4S1SB-22	--	1	--	0	--	1
									T4S1SB-23	--	1	--	0	--	1
									T4S1SB-24	--	1	--	0	--	1
									T4S1SB-89	--	1	--	0	--	1
									T4S1SB-25	--	1	--	--	--	1
16	Cargill Malathion Mixing Area	OU1	Former Cargill Leasehold) west of Cargill Grain Facility Building	Exact	Room used for bulk Malathion™ storage (in drums) and mixing the Malathion™ with grain prior to shipment. Application ceased in 1997. HAZMAT response recorded for worker exposure resulting in illness. Odor observed by ATC and URS during site reconnaissance.	One Drill four borings adjacent to Malathion mixing area.	OCP, OPP	Groundwater analysis will be conducted to identify whether or not an AOC. Because this is a surface feature, if significant pesticides not detected in either surface soil or groundwater, area will not be considered an AOC.	T4S1SB-26	--	1	--	--	--	1
									T4S1SB-27	--	1	--	--	--	1
									T4S1SB-28	--	1	--	--	--	1
									T4S1SB-25	--	(1)	--	--	--	(1)
17	Cargill Former Millwright Shop and Compressor House	OU1	Former Cargill Leasehold, West of Flour Mill	Exact	1961 historic maps show UST, compressor and sump, and possible UST (no confirmation on 500-gallon heating oil UST in other documents). Information regarding chemical handling has not yet been identified.	Drill four borings adjacent to former millwright shop and compressor house.	TPH-Gx, TPH-Dx, VOCs, PAHs	Groundwater analysis added - see note for AOC 16.	T4S1SB-26	--	(1)	--	--	--	(1)
									T4S1SB-27	--	(1)	--	--	--	(1)
									T4S1SB-28	--	(1)	--	--	--	(1)

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ¹	Description	Summary of RI Activities	Analytical Methods ¹	Proposed Changes and Rationale ⁴	Exploration or Sample Designations	Sampling Activities ^{2, 3, 5}					
										Surface Soil	Subsurface Soil	Groundwater			
Phase I	Phase II	Phase I	Phase II	Phase I	Phase II										
18	Cargill Hydraulic Oil Releases	OU1	Former Cargill Leasehold) Pump house near Cargill Truck Inspection Canopy and C-10 location	Exact	Remediation conducted at C-10 location but not complete. Excavations exposed during June 2003 Facility walk. November 2003 excavation left contaminated soil on-site due to access limitations. Regulatory status of release not known. No additional information on C-10 release is available.	Drill two borings within footprint of hydraulic oil release area.	HCID	HCID will be used to identify whether TPH is present; see note 8 for rationale.	T4S1SB-29	--	Q	--	Q	--	1
									T4S1SB-30	--	Q	--	Q	--	1
19	Former Blacksmith Shop	OU1	Former Cargill Leasehold	Known	1924 Sanborn Fire Insurance map shows shop layout, with general storage, carpentry, tractor storage, and a blacksmith shop. May have used fuel for a furnace or other equipment.	Drill three borings within footprint of former blacksmith shop.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals [OCC, OCP on surface soil from SB-32]	OCC, OCP on surface soil from SB-32 added.	T4S1SB-31	--	1	--	--	--	1
									T4S1SB-32	--	1	--	--	--	1
									T4S1SB-33	--	1	--	--	--	1
20	Cereal Foods T-19	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #19: 10,000-gallon, Fuel Oil #5 UST. DEQ file # 447. Tank decommissioned (date unknown).	Drill two borings adjacent to former fuel oil UST.	HCID, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Borings shifted from URS location. Complete both probes at former UST location, one at each end of UST. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-34	--	Q	--	1	--	1
									T4S1SB-35	--	Q	--	1	--	1
21	Cereal Foods T-20	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #20: 1,000-gallon, Diesel UST, removed in approximately 1989, DEQ file # 447. Tank decommissioned by removal in 1989.	Drill two borings adjacent to former diesel UST.	HCID, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-36	--	Q	--	1	--	1
									T4S1SB-37	--	Q	--	1	--	1
22	Cereal Foods T-21	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #21: 1,000-gallon, Fuel Oil #2 UST, DEQ field # 447. Tank decommissioned (date unknown).	Drill two borings adjacent to former fuel oil UST.	TPH-Gx, TPH-Dx, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-38	--	Q	--	1	--	1
									T4S1SB-39	--	Q	--	1	--	1
24	Cafeteria Oil-Storage UST	OU1		General	Fuel oil-storage UST shown in 1965 historical drawing, adjacent to former cafeteria.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals	HCID will be used to identify whether TPH present; see Note 8. PCBs and metals not warranted because this was a fuel oil tank. As location can only be generally located, probes will be performed downgradient (SW) of the former building. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-40	--	Q	--	1	--	1
									T4S1SB-41	--	Q	--	1	--	1
25	Waste Pile	OU1	One pile observed in western portion of Facility	Exact	Pile contained tires, scrap metal, railroad ties, and other debris that has been removed. Period of use, historical disposal practice not yet identified.	Drill two borings adjacent to former waste pile.	TPH-Gx, TPH-Dx, HCID, VOCs, PAHs, PCBs, Metals	Description and location of pile appears that it was short-lived, therefore only one probe will be installed. HCID analysis, with followup quantification; see Note 8 for rationale. Groundwater analysis will be used to assess whether area is an AOC; see Note 9 for rationale.	T4S1SB-42	--	1	--	--	--	1
									T4S1SB-43	--	Q	--	--	--	--
26	Former Gas Fueling Station	OU1	Along southern boundary of Carroll Road	Approx.	Used by U.S. Army Transport Service during WWII. Very little information regarding period of use, gas tank location, fueling practices.	Drill two borings adjacent to former gas fueling station.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Chemical analysis of soil samples not proposed. Groundwater sampling will be conducted to identify whether this is an area of concern; if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9.	T4S1SB-44	--	Q	--	Q	--	1
									T4S1SB-45	--	Q	--	Q	--	1
27	Former Transformer Handling Area	OU1	Western boundary, former Warehouse No. 5	Approx.	Former PCB material handling area. Interviews indicate staining of soils in the vicinity of PCB-containing equipment load/unload ramp.	Drill one monitoring well downgradient of and three borings within footprint of former transformer handling area.	HCID, PAHs, PCBs	HCID will be used to identify whether TPH present; see Note 8 for rationale.	T4S1MW-01s	--	1	--	--	1	1
									T4S1SB-46	--	1	--	--	--	--
									T4S1SB-47	--	1	--	--	--	--
									T4S1SB-48	--	1	--	--	--	--
28	Possible Drum Burial Area	OU1	Western portion of Facility	Approx.	A past employee alleged that the area west of the Cargill office contained buried drums. An investigation including geophysical testing (in 1993) was performed and anomalies were discovered.	Drill three borings within footprint of possible drum burial area.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, OCP, OPP, Metals	Subsurface soil sampling not proposed. Groundwater sampling will be conducted to identify whether this is an area of concern; if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9. Surface soil will be analyzed for PAHs, PCBs, pesticides, and metals to provide analytical coverage across site.	T4S1SB-49	--	1	--	Q	--	1
									T4S1SB-50	--	1	--	Q	--	1
									T4S1SB-51	--	1	--	Q	--	1
29	Schnitzer Auto Fluff Area	OU1	Northern property boundary	General	Auto demolition occurring at Schnitzer Steel results in dust and airborne particulate dispersion on OU1 property.	Drill three borings within footprint of auto fluff area.	HCID, SVOCs, PCBs, Metals	Surface soil concern only. (Well T4S1MW-24 can be used to assess for metals impacts to groundwater).	T4S1SS-11	--	1	--	--	--	--
									T4S1SS-12	--	1	--	--	--	--
									T4S1SS-13	--	1	--	--	--	--
54	Half-Buck T-24	OU2	Kinder Morgan Leasehold	General	Half Buck Tank #24: 10,000-gallon UST, contents unknown (possibly gasoline). Reportedly decommissioned (date unknown). May be same tank as tank T-43 (an active Kinder Morgan UST). West side of Building 434.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAH	No change.	T4S1SB-55	--	1	--	1	--	1
									T4S1SB-56	--	1	--	1	--	1
57	Kinder Morgan Former Railcar Wash Area	OU2	Kinder Morgan Leasehold, South of Soda Ash Storage Building	Exact	Interview with Port personnel indicates presence of former rail car wash area. Photos from 1988 show wash down occurring in the area (no rail car visible).	Drill one monitoring well downgradient of and two borings adjacent to rail car wash.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Chemical analysis of subsurface soil samples not proposed - because this is a surface feature, surface soil and groundwater analysis will be used to assess whether release occurred. See rationale in note 9.	T4S1MW-16	--	--	--	--	1	1
									T4S1SB-57	--	1	--	Q	--	1
									T4S1SB-58	--	1	--	Q	--	1
58	T-26	OU2	West side of Building 334	Approx.	Tank #26: Size unknown, gasoline UST. Tank management manual indicates the tank was removed with no documentation of the removal date (date unknown).	Drill one monitoring well downgradient of and two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals, Metals	No change. Surface soils being collected for general site coverage.	T4S1MW-11	1	--	--	--	1	1
									T4S1SB-59	--	1	--	1	--	1
									T4S1SB-60	--	1	--	1	--	1

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ⁶	Description	Summary of RI Activities	Analytical Methods ⁷	Proposed Changes and Rationale ⁸	Exploration or Sample Designations	Sampling Activities ^{2, 12, 9}					
										Surface Soil		Subsurface Soil		Groundwater	
										Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
60	City CPD T-44	OU2	West side of Building 334	Approx	City CPD Tank #44. Size unknown, diesel UST, reportedly removed (date unknown). May be same tank as AOC 58.	Drill one monitoring well downgradient of and two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, metals	Surface soil sampling not proposed because this is a subsurface feature.	T4S1MW-11	(1)	--	--	--	(1)	(1)
									T4S1SB-61	--	Q	--	1	--	1
									T4S1SB-62	--	Q	--	1	--	1
61	Groundwater Seeps	OU2	Below Base of Ro Ro Dock	Known	Observed by DEQ during a 4/30/01 Facility visit. Three small seeps observed by HAI in November 2002, but no sheen. HAI collected 4 grab samples. Two PAHs detected above SLVs. No source of sheen identified.	Drill two borings and three monitoring wells immediately upgradient of groundwater seeps.	TPH-Gx, TPH-Dx, VOCs, PAHs, OCP, OPP	No Change.	T4S1MW-03s	--	--	--	--	1	1
									T4S1MW-09	--	--	--	--	1	1
									T4S1MW-10	--	--	--	--	1	1
									T4S1SB-05	--	--	--	--	1	--
									T4S1SB-06	--	--	--	--	1	--
62	Sloped Truck Scale with Sump	OU2	North of IRM offices	Approx.	Truck scale shown as sloped, with sump at the bottom. Sump discharges to surface infiltration area. Currently in use by IRM.	Drill two monitoring wells and one boring downgradient of and two borings adjacent to truck scale with sump.	TPH-Gx, TPH-Dx, VOCs, PAHs	No change.	T4S1MW-09	--	--	--	--	(1)	(1)
									T4S1MW-10	--	--	--	--	(1)	(1)
									T4S1SB-05	--	--	--	--	(1)	--
									T4S1SB-63	--	Q	--	Q	--	1
									T4S1SB-64	--	Q	--	Q	--	1
63	Former Ore/Product Handling and Storage Locations	OU2	Pier 2 and Pier 4	General	Materials stored/handled on site until 1996. Included ore, sulfur, coal, soda ash, petroleum, manganese, tallow, and lead.	Drill four monitoring wells, two borings, and collect nine surface soil samples within footprint of former ore/product handling and storage locations.	Metals	Phase I results did not indicate an impact by metals. Therefore, no further assessment is necessary in Phase II.	T4S1MW-12	1	--	--	--	1	1
									T4S1MW-13	1	--	--	--	1	1
									T4S1MW-15	1	--	--	--	1	1
									T4S1MW-16	1	--	--	--	(1)	(1)
									T4S1SB-07	1	--	--	--	1	--
									T4S1SB-08	1	--	--	--	1	--
									T4S1S-1 through T4S1S-9	--	Q	--	--	--	--
									T4S1MW-10	--	--	--	--	(1)	(1)
64	Former Leckenby Fumigation Plant	OU2	West of IRM tank farm	Approx.	1923-1955: used to fumigate Asian cotton or "other commodities requiring reconditioning i.e. peanuts, rice, beans, and other foodstuffs".	Drill two monitoring wells and one soil boring downgradient of and two borings adjacent to former fumigation plant	OCP, OPP	Subsurface sampling not proposed - because this was a surface application, surface soil and groundwater analysis will be used to assess whether release occurred	T4S1MW-11	(1)	--	--	--	(1)	(1)
									T4S1SB-06	--	--	--	--	(1)	--
									T4S1SB-65	--	1	--	Q	--	1
									T4S1SB-66	--	1	--	Q	--	1
65	Former ATS Disinfestation Plant	OU2	May be same location as AOC 64	Approx.	Specific location not known (indication that it was east of Warehouse No. 1, OU2). Built in 1943, used by U.S. Government Army Transport Service for delousing soldiers and POWs and their belongings. An Army directive from 1944 instructed military installations to use methyl bromide.	Drill two monitoring wells and one soil boring downgradient of and two borings adjacent to former disinfestation plant	OCP, OPP	See AOC 64.	T4S1MW-10	--	--	--	--	(1)	(1)
									T4S1MW-11	(1)	--	--	--	(1)	(1)
									T4S1SB-06	--	--	--	--	(1)	--
									T4S1SB-65	--	(1)	--	Q	--	(1)
									T4S1SB-66	--	(1)	--	Q	--	(1)
67	Gearlocker and Maintenance Building	OU2	Rogers Terminal Building	General	Housed blacksmith, auto, paint, electrical, oil room, carpenter shops. Exit and area outside of auto shop showed soil staining, as reported by Port personnel. Types and quantities of materials used not yet known.	Drill two monitoring wells downgradient of and six borings around margin of building.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals	Groundwater analysis added and soil sampling removed; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1MW-09	--	--	--	--	(1)	(1)
									T4S1MW-10	--	--	--	--	(1)	(1)
									T4S1SB-05	--	--	--	--	(1)	--
									T4S1SB-67	--	Q	--	--	--	1
									T4S1SB-68	--	Q	--	--	--	1
									T4S1SB-69	--	Q	--	--	--	1
									T4S1SB-70	--	Q	--	--	--	--
									T4S1SB-71	--	Q	--	--	--	1
68	Boiler House	OU2	West of Gearlocker Building	Exact	Built in 1919, still existing. Associated equipment included 2 5' below-ground gas line and fueling station.	Drill two borings adjacent to boiler house.	TPH-Gx, TPH-Dx, VOCs, PAHs	Groundwater analysis added and soil sampling removed; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1SB-72	--	Q	--	--	--	1
									T4S1SB-73	--	Q	--	--	--	1
									T4S1SB-74	--	Q	--	--	--	1
69	Former PCB-Containing Transformer Locations	OU1/OU2	All locations, quantity, and period of use not known	General	Limited information available.	Review information on transformer locations. If warranted, identify locations for surface soil sampling.	TPH-Gx, TPH-Gx, TPH-Dx, PAHs, PCBs	No change	--	--	X	--	--	--	--
72	Railroad Alignments	OU2		Exact	Potential for spills and dust dispersion during ore and raw material transport. Hazardous substances found during rail maintenance work.	Drill seven borings along former railroad alignments.	HCID, VOCs, SVOCs, Metals	HCID to identify presence of hydrocarbons, see Note 8. Borings will be installed to 5 feet (not 30 feet).	T4S1SB-75	--	1	--	1	--	--
									T4S1SB-76	--	1	--	1	--	--
									T4S1SB-77	--	1	--	1	--	--
									T4S1SB-78	--	1	--	1	--	--
									T4S1SB-79	--	1	--	1	--	--
									T4S1SB-80	--	1	--	1	--	--
									T4S1SB-81	--	1	--	1	--	--
									T4S1MW-16	(1)	--	--	--	(1)	(1)
73	Berth 411 Pencil Pitch Handling	OU2	Berth 411	General	Active until 1998. Historical evidence of upland spills.	Drill one monitoring well and collect two surface soil samples within pencil pitch handling area.	PAHs, PCBs	Location T4S1S-10 moved into the former pencil pitch handling area. PCBs added to analysis because PCBs detected in Phase I surface soil sample from MW-16.	T4S1S-8	(1)	--	--	--	--	--
									T4S1S-9	(1)	--	--	--	--	--
									T4S1S-10	(1)	--	--	--	--	--

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ¹	Description	Summary of RI Activities	Analytical Methods ¹	Proposed Changes and Rationale ⁴	Exploration or Sample Designations	Sampling Activities ^{2, 3, 5, 6}					
										Surface Soil		Subsurface Soil		Groundwater	
										Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
74	Utility Storage Building	OU2	Southeast of Gearlocker	Exact	Port personnel report formerly housed some hazardous substances. Historical map notes utility storage occurred.	Drill two borings adjacent to utility storage building	TPH-Gx, TPH-Dx, VOCs, SVOCs	Groundwater analysis added; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1SB-82	--	1	--	--	--	1
									T4S1SB-83	--	1	--	--	--	1
75	Former Car Cleaning Pit and Drain	OU2	North of IRM Offices	General	Rail car and truck cleaning areas identified on maps. Likely removed between 1992 and 1995. Area now level and covered with gravel surface.	Drill one boring and two monitoring wells downgradient of and three borings adjacent to car cleaning pit and drain.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Removed surface soil sampling and added groundwater analysis. AOC is a subsurface feature so surface soil sampling not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1MW-09	--	--	--	--	(1)	(1)
									T4S1MW-10	--	--	--	--	(1)	(1)
									T4S1SB-05	--	--	--	--	(1)	--
									T4S1SB-84	--	0	--	1	--	1
									T4S1SB-85	--	0	--	1	--	1
									T4S1SB-86	--	0	--	1	--	1
76	Cargill Former Machinery Shop	OU1	Former Cargill Leasehold	Approx.	No record of practices associated with these buildings.	Drill two borings within footprint of former machinery shop.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs	Removed surface soil sampling and added groundwater analysis. AOC is a subsurface feature so surface soil sampling not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1SB-87	--	0	--	--	--	1
									T4S1SB-88	--	0	--	--	--	1
77	Cold Storage Plant UST	OU1	Former Cargill Leasehold	Approx.	Historic Port drawing shows 2,500 gallon oil UST adjacent to former cold storage plant. UST was removed.	Drill two borings adjacent to former UST.	HCID, VOCs, PAHs	HCID to identify presence of TPH; see Note 8 for rationale. AOC is a subsurface feature, so surface soil analysis not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1SB-91	--	0	--	1	--	1
									T4S1SB-92	--	0	--	1	--	1
--	Upgradient Groundwater Quality	OU1/OU2	-	-	-	Install six monitoring wells along property boundary, evaluate quality of groundwater flowing onto site.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	No change.	T4S1MW-19 through T4S1MW-24	--	--	--	--	--	6
-	General Groundwater Quality and Hydrogeologic Evaluation	OU1/OU2	-	-	-	Install other monitoring wells at non-AOC-specific locations to evaluate hydrogeology and groundwater quality	TPH-Gx, TPH-Dx, VOCs, PAHs	No change	T4S1MW-02s, T4S1MW-04s, T4S1MW-14, T4S1MW-18	--	--	--	--	4	4

Notes:

1. Analytical methods:

TPH-Gx = Gasoline Range Organics by Method NWTPH-Gx.

TPH-Dx = Diesel and Heavy Oil Range Organics by Method NWTPH-Dx.

VOCs = Volatile Organic Compounds by EPA Method 8260B.

PAHs = Polynuclear Aromatic Hydrocarbons by EPA Method 8270C-SIM.

Metals = EPA Method 6020/7470A/7471A (total and dissolved).

Polychlorinated Biphenyls by EPA Method 8082.

SVOCs = Semivolatile Organic Compounds by EPA Method 8270C.

OCF = Organochlorine Pesticides by EPA Method 8081A.

OPP = Organophosphorus Pesticides by EPA Method 8141A.

2. An "X" indicates that sampling may occur, but the number of samples has not been determined at this time. A "0" indicates a change from the draft RI Work Plan and this sample is not proposed for analysis.

3. Values in parenthesis identify samples that are previously accounted for at other AOCs; this allows for total count of samples to be taken from table (e.g., samples in parenthesis will not be double-counted).

4. - = Not applicable.

5. -- = Not in scope.

6. RI Work Plan Table 1 and SAP Table 2 are combined in this table. Changes to these tables are indicated by strike-outs (deletions) and are discussed in the change column. Two columns are added: Accuracy of Location and Proposed Changes/Rationale for Change. The latter details the changes in exploration and analytical program. The former uses four relative terms, explained as follows:

Exact = The AOC is visible and/or locatable in the field.

Known = Documentation is available that describes or shows the AOC location or may include measurements.

Approx. = AOC location can be approximated to a relatively small area based on documentation.

General = AOC is general in nature (i.e., widespread area) or AOC location can only be generally located.

7. Figure 1 illustrates the proposed locations of the borings; most borings are in the same location as proposed in the draft RI Work Plan, except where noted in the "Proposed Change" column of this table.

8. If HCID analysis indicates the presence of TPH, quantification by TPH-Gx and/or TPH-Dx will be conducted in the indicated carbon range.

This is proposed because fuel types for many of the former USTs indicate diesel or fuel oil, but documentation that no other fuel was stored is not available.

9. Where soil sampling was proposed in the draft RI Work Plan as the basis for identifying impacts from the AOCs, groundwater is proposed in revised RI Work Plan as a more accurate method of identifying impact.

This is because soil will only be able to assess one small area and impacts could easily be missed. Groundwater will identify whether impacts have occurred and, if needed, further soil sampling can be conducted in Phase III to evaluate lateral and vertical extent. The AOCs being evaluated using this method involved handling of liquids, which given the time of usage (either for more than 30 years or more than 30 years ago), any impact of potential concern would have sufficient time to impact groundwater.

T-4 0105.PDF



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Tigard, Oregon 97223
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2/14/04

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DATE: January 29, 2004
TO: Dennis Klein
COMPANY: Cargill
PHONE: (952) 742-5622
FAX: (952) 742-4088
FROM: Tom Mergy
PAGES (incl. cover): 10
SUBJECT: tank documentation

cc.

Dear Dennis:

Per our conversation on Jan. 27, 2003, I am forwarding documentation that made reference to a 1,000 gallon diesel fuel tank located at the Cargill-Port of Portland Terminal 4 facility. The 1,000-gallon tank was referenced in a prior site assessment report and a historic tank was referenced in an Oregon Dept. of Environmental Quality file database report.

During our investigation, ATC did not discover any 'hard' documentation (reports, letters, invoices, permits, site maps, etc.) that specifically state a date when the 1,000 diesel fuel tank was removed, a definitive location for the tank, or any data related to a tank removal.

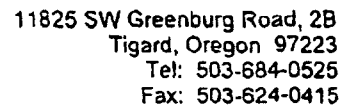
Following is a list of documentation that references the 1,000/fuel tank:

1) A partial site map was found in the Cargill/CLD Grain files provided to us by Gene Loffler showing a fuel tank west of the Car Tipper, but there is no other identifying notes regarding size or if it was above or below ground. There is no date or other identifying information on the partial map in the file.

Kim T.
2/14/04
I have no note that indicates I sent this to you, but, who knows
DK

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11-010 Fax to Cargill 02/04/04



Don
19.06
page
DED report

3) ATC reviewed a report from Hahn and Associates' "Response to Oregon Department of Environmental Quality Comments in May 14, 2001 letter dated January 28, 2003" and obtained from the Port of Portland. The report lists at least three tanks that were located on the leasehold, with all the tanks listed under DEQ registration file number 401.

Thomas Mergy, R.G.
ATC Associates Inc.
11828 SW Greenburg Road
Tigard, Oregon 97223
Ph. 503/684-0525

U.S. DEPT. OF JUSTICE

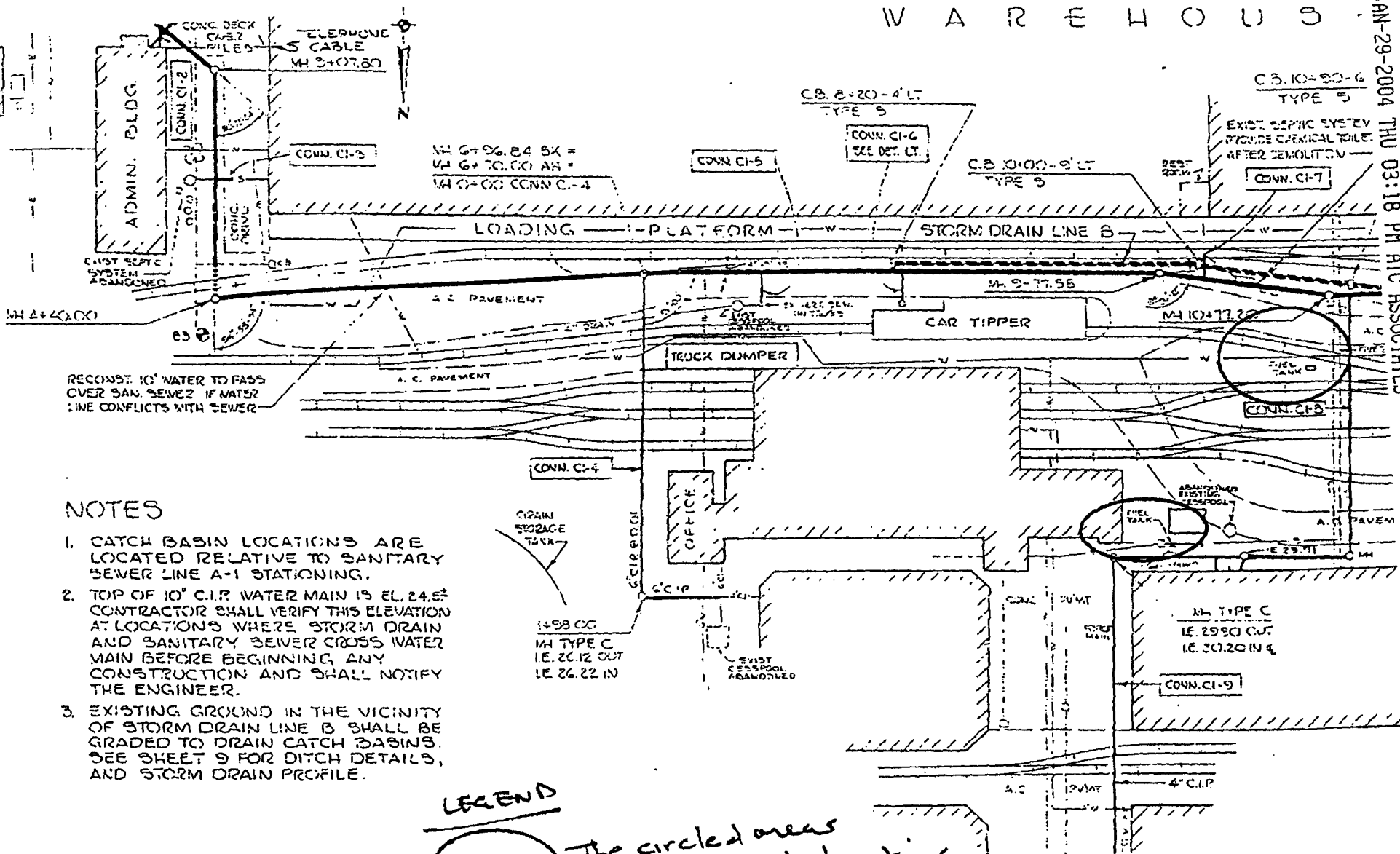
JAN 12 1900 03:08

WAREHOUSE

JAN-29-2004 THU 03:18 PM ATC ASSOCIATES

FAX NO. 5036240415

P. 03



NOTES

1. CATCH BASIN LOCATIONS ARE LOCATED RELATIVE TO SANITARY SEWER LINE A-1 STATIONING.
2. TOP OF 10" C.I.P. WATER MAIN IS EL. 24.52. CONTRACTOR SHALL VERIFY THIS ELEVATION AT LOCATIONS WHERE STORM DRAIN AND SANITARY SEWER CROSS WATER MAIN BEFORE BEGINNING ANY CONSTRUCTION AND SHALL NOTIFY THE ENGINEER.
3. EXISTING GROUND IN THE VICINITY OF STORM DRAIN LINE B SHALL BE GRADED TO DRAIN CATCH BASINS. SEE SHEET 9 FOR DITCH DETAILS, AND STORM DRAIN PROFILE.

LEGEND



The circled areas identify tank locations. This 'partial' site map page was found in the CIO-Pacific Group, LLC files AND NO DATE WAS PRESENT.

ATC (1-29-04)

PAGE 03

CARG001065

III. Underground Storage Tanks (USTs)

Waste Oil UST Cleanup at Gearlock (LUST #26-91-0126)

Hahn and Associates (HAI) decommissioned a 40 year old, 1,750 gallon underground waste oil tank at the former Oregon Terminal Company (OTC) Gearlocker facility (LUST #26-91-126) during March 1991 (see Figure 16). Approximately 1,160 gallons of used oil, containing 1,1,1-trichloroethane (200 ppm), toluene (71 ppm), xylenes (65 ppm), polychlorinated biphenyls (23 ppm), and lead (21 ppm, as total lead), was removed from the tank prior to decommissioning. There was no visual evidence to indicate that the tank had leaked, and no petroleum hydrocarbons were detected in two soil samples collected from the east and west walls of the tank excavation²⁰.

Five cubic yards of visually-contaminated soil was, however, removed from the vicinity of the tank's fill pipe - 20 feet to the west of the tank, along the southern exterior wall of Gearlock facility - during April 1991. Total excavation depth was about 3 feet. Contaminated soils in this area contained up to:

81,000 ppm TPH (as diesel fuel, or Bunker C fuel)
0.031 ppm toluene
0.110 ppm xylenes
4.7 ppm tetrachloroethylene (PCE)
0.30 ppm 1,1,1-Trichloroethane (1,1,1-TCA),
0.8 ppm TCLP²¹ (leachable) lead

but no polychlorinated biphenyls (PCBs). A composite cleanup confirmation sample from the excavation pit contained 1,700 ppm Bunker C fuel, although no confirmation analyses were conducted for chlorinated solvent or metals.

²⁰ It is unclear why HAI collected its soil samples from the excavation walls rather than the floor of the excavation, beneath the tank ends.

²¹ TCLP is an acronym that commonly designates an EPA-approved sample preparation method (Toxicity Characteristic Leachate Procedure) used in determining the amount of leachable substances present in environmental samples.

An estimated 14 cubic yards of petroleum-contaminated soil was left beneath the Gearlock building to avoid undermining the structure.

Century West conducted follow up soil sampling in the area of the former fill pipe during August 1995. Follow up analyses indicated that soils contained up to 1,700 ppm TPH (at 2.5 to 4.0 feet deep), but no detectable halogenated volatile organic compounds (VOCs). Soils beneath the Gearlock building contained 12 ppm TPH at a depth of 9 to 11 feet bgs.

Recognizing that a pocket of subsurface contamination remained beneath the Gearlocker building, DEQ's Leaking Underground Storage Tank section concluded in February 1996 that *no further cleanup action would be necessary unless site conditions changed in a way that would allow more direct access to the contamination.

Nearby Gasoline and Diesel LUSTs at Terminal 4 (LUST #26-96-0454)

During July 1995, GeoEngineers, Incorporated, supervised the decommissioning of a gasoline UST and diesel fuel UST, each having a capacity of 4,000 gallons, located a short distance to the southwest of the former Gearlock waste oil UST (see Figure 16). Neither tank appeared to have leaked, although petroleum contaminated soils were encountered beneath an adjoining fuel dispensing island, northwest of the tank excavation. Two soil samples collected at 2 feet deep contained 300 and 790 ppm TPH as oil (analytical method 418.1-M). Soils beneath the fuel island were excavated to a depth of 3.5 feet; a total of 5.5 tons of petroleum-contaminated soil was removed. A single confirmation sample collected from the bottom of the fuel island excavation contained 130 ppm oil.

Other USTs at Terminal 4

The DEQ UST database lists seven additional registered petroleum storage USTs were historically located at Terminal 4 (see Table 2); all seven have been removed. Three of the USTs were apparently located at least 500 yards to the north of the Terminal 4 project area at Terminal Flour Mills / Cargill, Incorporated. One was located about 300 yards to the north, at Pacific Molasses Company. There is no indication that any of these four tanks leaked.

CARGILL
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Two of the remaining registered USTs were evidently located at a former Port of Portland Terminal 4 maintenance facility (Building Number 314), at least 400 yards north of the Terminal 4 project area. The tanks included a 2,000 gallon gasoline tank and a 3,000 gallon diesel fuel tank. A minor petroleum release that was observed during decommissioning of the diesel fuel tank²² is documented in LUST File #26-95-0277. Since the petroleum concentration was below Soil Matrix Cleanup Levels and groundwater had not been affected, DEQ's LUST section concluded that no further investigation or cleanup would be necessary.

The one remaining registered UST was a 1,000 gallon gasoline tank located at the Multnomah County Sheriff's River Patrol Dock between Slip 1 and Slip 3, about 475 yards to the west of the Terminal 4 project area. A minor amount of oil was detected beneath a portion of the tank's transfer piping during the decommissioning activities²³. Details of this tank decommissioning are also described in LUST File #26-95-0277²⁴. DEQ's LUST section concluded that, since the petroleum concentration was below Soil Matrix Cleanup Levels and groundwater had not been affected, no further investigation or cleanup would be necessary.

IV. Nearby Sites with Petroleum Contamination

Toyota Motor Sales, USA, Inc. Site (LUST # 26-91-0133; ECSI #172)

Vehicle Processors, Incorporated, operates an import auto receiving, storage, preparation, and distribution facility (under the name of Toyota Motor Sales, USA) on a separate, paved 112 acre parcel of Terminal 4, along the east and south sides of the subject Terminal 4 project area (see Figure 17); the property is leased from Port of Portland. A brief review of this site is presented because of

-
- ²² Petroleum product, heavier than diesel fuel, was detected beneath on end of this tank at a concentration of 140 ppm.
- ²³ Petroleum, heavier than diesel fuel, was detected at a concentration of 61 ppm at 2 feet bgs.
- ²⁴ The UST at the Sheriff's River Patrol Dock, and the 3,000 gallon diesel fuel tank at Building 314 were being decommissioned at the same time, so both were assigned to the same LUST File.

APPENDIX E

**Excerpts From Port of Portland Tank Management Manual:
CLD Pacific (Formerly Cargill) Leasehold**

HAHN AND ASSOCIATES, INC.

JAN. 6, 1995

JAN 12 1900 03:09

PAGE. 07

CARG001069

TANK NUMBER T4-22

Location: Cargill

Description: 500-gallon; UST; "Heater" Fuel Oil; Cargill

Status: Decommissioned by Removal, Tenant-Owned

Comments: This tank appears to have been properly decommissioned. Tanks T4-22 and T4-85 may actually be the same tank.

References:

Department of Environmental Quality:

Registration File Number: 401

Port of Portland: Drawing: M86-4 8/10

Port of Portland
Tank Management - Marine Terminal 4

- 31 -

January 6, 1995
#40038-043-01

TANK NUMBER T4-23

Location: Cargill

Description: 1,000-gallon; UST; Diesel; Cargill

Status: Decommissioned by Removal, Tenant-Owned

Comments: This tank appears to have been properly decommissioned.

References:

Department of Environmental Quality:

Registration File Number: 401

Port of Portland: Drawing: M86-4 8/10

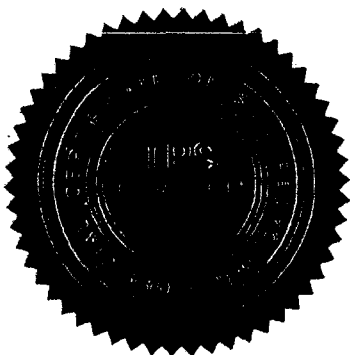
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Soil Recycling Certificate

TPS Technologies Inc. does hereby certify
that 66.23 tons of non-hazardous contaminated soil
received from

Cargill, Inc.
Foss Environmental (Consultant)
800 North River Street
Portland OR 97227

Under Manifest / authorization number 38039
4596
have been properly recycled to approved regulatory standards
at our Soil Recycling Facility in Tacoma WA



Dated this December 16, 2003
Sworn and Attested by:
TPS Technologies Inc.

By:

A handwritten signature in black ink, appearing to be "B. H. H. H.", written over a horizontal line.

T-4 0107.PDF



November 26, 2003

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Cargill Office Center
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General Manager
CLD Pacific Grain LLC
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Mr. Gene Loffler
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CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

Dennis Klein
Cargill, Incorporated
P.O. Box 9300/Dept. 1
Minneapolis MN 55440-9300

BY MAIL, FACSIMILE AND EMAIL

RE: Environmental Investigation and Cleanup of the Cargill Leasehold

Dear Messrs Schaufler, Loffler and Klein:

This letter explains why the Port is proceeding at this time with execution of the DEQ Voluntary Cleanup Program Agreement for remedial investigation, source control measures and remedy feasibility study at the Terminal 4 Slip 1 Upland area, including the Cargill leasehold. It also responds to Mr. Klein's email of earlier today.

As you are aware from previous correspondence and interaction with the Oregon Department of Environmental Quality (DEQ), DEQ has been concerned about environmental contamination issues at the Cargill leasehold for many months. We have

Cargill
November 26, 2003

notified you of these issues and requested your assistance on numerous occasions. We have kept you informed of the fact that DEQ views investigation and cleanup of the area as a high priority component of the federal and state effort to clean up the Portland Harbor Superfund Site. We have also provided drafts of the DEQ consent order for consideration and incorporation into the environmental exit audit Cargill is performing.

For example, by letter dated June 20, 2003, the Port informed you of DEQ's specific environmental concerns relating to Cargill's leasehold and asked you to provide a plan of action as to how you were going to address those concerns. That letter also informed you that absent action by Cargill, DEQ would likely require the Port to investigate and remediate the Cargill leasehold under a cleanup order then under active negotiation.

By way of an additional example, on September 9, 2003 Gene Loffler attended a meeting with the Port and DEQ at which DEQ discussed their contamination concerns regarding the Cargill leasehold, as well as the issues relating to the cleanup of the hydraulic oil spill. DEQ had earlier specifically informed the Port (and through the Port's June 20, 2003 letter, Cargill) of the contamination issues at the Cargill leasehold that must be addressed.

All sources of contamination to the Portland Harbor Superfund Site must be investigated, controlled and permanently remediated consistent with the remediation of in-water sediment contamination. Cargill has neither timely nor satisfactorily addressed the contamination issues associated with its leasehold. Seven months after Cargill notified the Port of its departure from Terminal 4, the Port still has not received even a draft of the environmental exit audit required of Cargill under the lease. Therefore, given the deadline for action set by DEQ, the Port has been compelled to include the investigation and cleanup of the Cargill leasehold area under the consent order with DEQ. It is on this basis that the Port believes it is fully justified in looking to Cargill for payment of any costs it will incur in connection with implementing the order at the Cargill leasehold.

We look forward to the completion of the environmental exit audit and the proper identification of the environmental contamination matters that Cargill will have to address. We continue to believe that it is in Cargill's best interests to work cooperatively with both DEQ and the Port on the site investigation and cleanup of your leasehold.

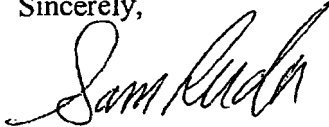
The Port invites and encourages Cargill to be engaged with the Port in implementation of the consent order. The short term opportunities for Cargill to get involved include: (i) a remedial investigation scoping meeting with the Port in mid-December; (ii) a remedial investigation scoping meeting with the Port and DEQ in early January 2004; and (iii) the development of a remedial investigation proposal due to DEQ 45 days after DEQ's execution of the consent order.

Please contact Eric Schwamberger at 503-240-2014 to have Cargill included in these consent order implementation activities.

Cargill
November 26, 2003

Please call me at 503-944-7220 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Ruda". The signature is fluid and cursive, with the first name "Sam" being more prominent than the last name "Ruda".

Sam Ruda
Marine Director
Port of Portland

cc: David Ashton, Port of Portland (w/o attachments)
Juli Killgore, Port of Portland (w/o attachments)
Eric Schwamberger, Port of Portland (w/o attachments)
Bob Moulton, Port of Portland (w/o attachments)

T-4 0108.PDF



P.O. Box 9300/Dept. 1
Minneapolis, MN 55440-
9300

15407 McGinty Road West
Wayzata, MN 55391
Phone: 952/742-5622
FAX: 952/742-4088

September 30, 2003

Mr. Eric Schwanberger
Port of Portland
121 NW Everett
Portland, OR 97208

RE: Remediation of Contaminated Soil at the Terminal 4 Leasehold

Dear Mr. Schwanberger:

My name is Dennis Klein and I am the environmental manager for Cargill AgHorizons (f.k.a, Cargill Grain) in Minneapolis. I have been working with Gene Loffler and our consultant, MACTEC Engineering & Consulting, Inc. (MACTEC) on this project. This letter is in response to your letter of September 18, 2003 to Mr. Loffler.

First, we would like to thank you for your assistance and cooperation to bring this project to a closure. Cargill is anxious to begin the remediation, and as such, we are prepared to begin as soon as the subcontractor's schedule permits.

It is Mr. Loffler's understanding that during the September 9, 2003 meeting with the Port of Portland, CLD Pacific Grain, and the Oregon Department of Environmental Quality (DEQ), the remediation cleanup goals would be those recommended by the DEQ, more specifically those listed in the USEPA Region 9 Preliminary Remediation Goals (PRGs) for Industrial Soils (version 10/01/02). Those goals were listed in the table MACTEC (Mr. Kirk Sweetland) e-mailed to you on September 16, 2003.

We do plan on collecting confirmatory soil samples to ensure these goals have been addressed. And in accordance with standard remediation practices, if groundwater is encountered during the excavation, a water sample will also be taken.

We will be firming up the subcontractor's schedule in the next day or two, and we will advise you when the remediation will begin.

CARG001079

Again, we appreciate your cooperation, and we are looking forward to working with you on the completion of this project.

Thank you.

Truly yours,

CARGILL, INCORPORATED

Dennis Klein, P.E.

T-4 0109.PDF



P.O. Box 9300/Dept. 1
Minneapolis, MN 55440-
9300

15407 McGinty Road West
Wayzata, MN 55391
Phone: 952/742-5622
FAX: 952/742-4088

October 1, 2003

Mr. Eric Schwanberger
Port of Portland
121 NW Everett
Portland, OR 97209

RE: Environmental Site Assessment of Terminal 4 Leasehold

Dear Mr. Schwanberger:

This letter is in response to your September 19, 2003 letter to Mr. Gene Loffler relative to the above referenced issue. In general, we agree with your suggestions. However, we would like to clarify two of them.

In regards to the sampling, we agree in principle, but we want to focus that effort on only the non-incidental issues. If there is clear evidence of a non-incidental spill or release of any petroleum product, and there is a mutual agreement between the Port, the consultant (ATC), and Cargill to do the sampling, and the parameters to test for, then the sampling, analysis, and reporting (if required) will proceed.

In addition, in Item 7 of your second bullet point you are asking for information, including "site maps", for the facility during the period between 1943 and 1946. Since that is approximately 60 years ago, I am guessing that information will be minimal, if any exists at all.

As far as the scheduling is concerned, I will have to defer to you, Mr. Loffler, and ATC.

Thank you.

Yours truly,

CARGILL, INCORPORATED

Dennis Klein, P.E.

C: Mr. Gene Loffler

CARG001082

T-4 0110.PDF



September 19, 2003

Mr. Gene Loffler
Operations Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

RE: Environmental Site Assessment of Terminal 4 Leasehold

Dear Mr. Loffler:

This letter is in response to your correspondence regarding the proposed scope for the required Environmental Site Assessment (ESA) for the CLD Pacific Grain/ Cargill property located at the Port of Portland – Terminal 4 in Portland, Oregon.

To ensure that the interests of all parties are efficiently served, the Port requests the following items to be added to the scope of the ESA, as described by ATC Associates, Inc. in their proposal of June 6, 2003:

- Sampling, analysis and reporting of results for any areas showing physical evidence of prior releases or spills of any petroleum products.
- Any correspondence, data, maps, or other documentation relevant to the following items of concern:
 - Location, uses, and removal of AST's and UST's within the leasehold.
 - Historical spills, releases, and cleanups, in particular those associated with aboveground and underground storage tanks storing diesel, waste oil, or other fuels.
 - Historical fueling activities in the vicinity of Buildings 152 and 160.
 - Waste oil and other fuels.
 - Residual contamination after the closure of these facilities.
 - Releases associated with upland stormwater systems discharging to the river.
 - Use of the facility during takeover and relinquishing of the facility during the period from 1943 through 1946, including any site maps from the period.
 - Use, storage, disposal, and other management of any hazardous substances from original occupancy through the present.

Mr. Gene Loffler
September 19, 2003
Page 2

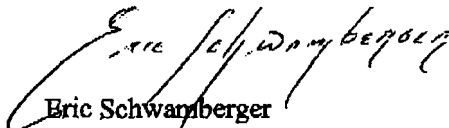
As you are aware from previous correspondence, the Cargill leasehold is included within or immediately adjacent to the Portland Harbor Superfund Site listed by the United States Environmental Protection Agency (US EPA) on the National Priorities List in December 2002. The Cargill leasehold is being targeted by Oregon Department of Environmental Quality ("DEQ") as a high priority area for further environmental investigation and potential cleanup.

Given DEQ's continued high interest on the area of Terminal 4, including the Cargill leasehold, the Port believes that the more completely the requested information is supplied through the audit, the less likely that further investigations or remedial action will be required within the Cargill leasehold.

The Port asks that you confirm that the above items will be added to the scope of the audit, and that you notify the Port on when the audit will take place.

Please contact me if you have any questions.

Sincerely,



Eric Schwamberger
Environment & Safety Manager
Marine Facilities

cc: Bob Moulton
David Ashton
Juli Kilgore
Anne Summers

T-4 0111.PDF



June 20, 2003

Mr. Arnie Schaufler
General Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

Mr. Gene Loffler
Operations Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

To: <i>Dennis Klein</i>	Date: <i>7/2</i>	
Co.	# of Pgs. <i>9</i>	
Dept.	From: <i>Gene L.</i>	
Fax No. <i>4088</i>	Phone #	Fax #

*Mark - per my
e-mail.
D. Klein
X 5622*

**RE: Environmental Site Assessment and Required Investigation and Cleanup of
Terminal 4 Leasehold**

Gentlemen:

We are in receipt of your recent correspondence regarding your proposed scope and contractor for the required Environmental Site Assessment for the CLD Pacific Grain/Cargill property located at the Port of Portland - Terminal 4 in Portland, Oregon. We have also reviewed your recent correspondence in connection with the hydraulic oil spill at the Cargill Lease site. We appreciate Cargill's efforts to date in responding to the hydraulic oil spill on the Cargill Lease site, as well as in working with the Port to fulfill Cargill's other obligations in connection with termination of the Cargill Lease.

As you are aware from previous correspondence, the Cargill leasehold is included within or immediately adjacent to the Portland Harbor Superfund Site listed by the United States Environmental Protection Agency (US EPA) on the National Priorities List in December 2002. The Cargill leasehold is being targeted by Oregon Department of Environmental Quality ("DEQ") as a high priority area for further environmental investigation and potential cleanup. DEQ believes that the leasehold property is contaminated. This is reflected by DEQ's prior demand for a Preliminary Assessment and the more recent letter asking for more information and further evaluation. It is important that Cargill address DEQ's concerns prior to and in conjunction with Cargill's departure from the Lease site.

DEQ's focus on the area of Terminal 4 including the Cargill leasehold is reflected in the following correspondence (listed chronologically):

Mr. Arnie Schaufler
Mr. Gene Loffler
June 20, 2003
Page 2

1. Letter from DEQ to the Port dated May 14, 2001.
2. Letter dated February 28, 2003 from the Port to DEQ with attached letter report from Hahn and Associates, Inc. dated January 28, 2003 containing response to DEQ Comments.
4. Letter from DEQ to the Port dated February 26, 2003.
5. Letter from DEQ to the Port dated June 4, 2003.

This correspondence confirms that DEQ has determined that releases of hazardous substances associated with the Cargill site pose a potentially significant threat to public health and the environment. DEQ has indicated that a remedial investigation of the Cargill site is a critical element of the Portland Harbor investigation, and must be performed to determine whether remedial action might be necessary. To summarize the correspondence with DEQ, DEQ's concerns include: historical fueling activities in the vicinity of Buildings 152 and 160, historical releases associated with area aboveground and underground storage tanks storing diesel, waste oil and other fuels, residual contamination after the closure of these facilities, and releases associated with the upland stormwater systems discharging to the river. In addition, there is now the concern about operational releases like the recent release of hydraulic oil.

By this letter, we wish to clarify the necessary approach to Cargill's fulfillment of certain environmental obligations in connection with Lease termination. The Port believes that it is in the best interest of Cargill to work cooperatively with both DEQ and the Port on the site investigation and cleanup and the Environmental Site Assessment (ESA) so that there are no unresolved issues surrounding the Cargill site during the Portland Harbor Superfund Site investigation. The Port is particularly interested in working closely with Cargill to confirm that all contamination is identified and removed, and that site conditions are returned to an acceptable state.

To ensure that the interests of all parties are efficiently served, the Port requests the following:

- Cargill should involve the DEQ in the required ESA, so that the site investigation needs of all parties are resolved as a result of the single ESA. The Port believes that involving DEQ in the ESA will facilitate Cargill's Lease termination, and diminish the likelihood of future action by the DEQ.
- Specifically, Cargill should work with both the DEQ and the Port to refine the ESA scope to include and address the items which the DEQ lists as being of concern, and which are also of concern to the Port. These items specifically include: historical fueling activities in the vicinity of Buildings 152 and 160, historical releases associated with area aboveground and underground storage tanks storing diesel, waste oil and other fuels, residual contamination after the closure of these facilities, and releases through the stormwater system to the river.

Mr. Arnie Schaufler
Mr. Gene Loffler
June 20, 2003
Page 3

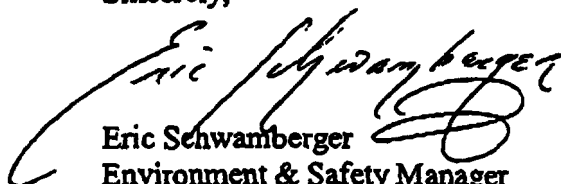
- Cargill should provide a Statement of Qualifications (SOQ's) for the audit team Cargill wishes to use. Given the requirement for the more complex audit, the Port requests the individual SOQs for the proposed audit team. The team must be experienced in identifying potential sources of groundwater contamination, and concerns at large industrial facilities.
- Cargill should involve DEQ in a sampling program to satisfy DEQ requirements for removal of the contaminated soil at the hydraulic oil spill, to ascertain whether hydraulic oil reached groundwater, and to evaluate any other areas of historical releases
- To meet its obligations in connection with termination of the Lease, Cargill should investigate any contamination of concern to DEQ associated with the leasehold, carefully coordinating required actions with DEQ and the Port.
- Cargill should agree to participation of a Port representative during the ESA, and sharing of all audit information with the Port.

Please provide us, by no later than July 3, 2003, with your revised plan to address the concerns of DEQ and the Port. Without such a plan, it is likely that DEQ will seek to have the Port investigate and remediate the Cargill leasehold under a cleanup order currently under active negotiation. In that eventuality, the Port will look to Cargill to be made whole.

We look forward to continuing to cooperate with you on these matters.

Please contact me if you have any questions.

Sincerely,


Eric Schwamberger
Environment & Safety Manager
Marine Facilities

cc: Bob Moulton
David Ashton
Juli Kilgore
Anne Summers



Oregon

Theodore Kulongoski, Governor

Department of Environmental Quality

Northwest Region Portland Office

2020 SW 4th Avenue, Suite 400

Portland, OR 97201-4987

(503) 229-5263

FAX (503) 229-6945

TTY (503) 229-5471

June 4, 2003

Ms. Anne Summers
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Data Gaps for CLD Pacific and Cereal Foods Parcels
Terminal 4 Slip 1
ECSI #2365

Dear Anne:

The Oregon Department of Environmental Quality (DEQ) reviewed the January 28, 2003 information provided by the Port of Portland (Port) on the CLD Pacific and Cereal Foods parcels located at the Port's Terminal 4 Slip 1 site. Based on this preliminary information, DEQ has identified the following potential contaminant source areas within the subject parcels that warrant further documentation and/or investigation.

For the spill cleanup and underground storage tanks (USTs), please provide documentation of adequate removal by comparing analyses of soil (and groundwater, if applicable) confirmation samples to DEQ screening levels. If confirmation samples were not collected and analyzed at the time of removal, soil and groundwater samples should be collected and analyzed now at and below the post-excavation elevation. For the above ground storage tanks (ASTs) and chemical storage, provide documentation that the stored material was not released to the environment (e.g., no staining visible beneath the ASTs, proper storage, use, and disposal of chemicals).

CLD Pacific

- Cleanup of hydraulic oil spill next to "C-10 hyd building:"
- Three petroleum product underground storage tanks decommissioned
- Three petroleum ASTs
- Pesticides and rodenticides

Cereal Foods

- Three petroleum product USTs



CARG001090

Ms. Anne Summers

June 4, 2003

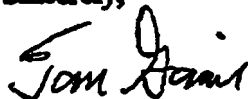
Page 2 of 2

In addition to general source area information provided in the January 28, 2003 document (i.e., an interview with the site operators), please provide more detailed, specific information about current and historic use, storage, and disposal of hazardous substances. For example, identify the location and time periods of pesticide and rodenticides storage and discuss the potential for releases to the environment during storage, use, and disposal activities. Guidance on preparing this documentation of source areas and waste characteristics can be found at the following web site:

<http://www.deq.state.or.us/wmc/cleanup/pascreen.html#source>.

DEQ will provide comments on the Port's January 28, 2003 document relating to other portions of the Terminal 4 Slip 1 site as part of the Remedial Investigation Proposal. Please call me at (503) 229-5326 if you have questions.

Sincerely,



Tom Gainer, P.E.

Project Manager

Cleanup & Portland Harbor

cc: Bruce Brody-Heine, DEQ CU/PH

Dennis Klein

X 4088



CARG001091



Oregon

Theodore Kulongoski, Governor

Department of Environmental Quality
Northwest Region Portland Office
2020 SW 4th Avenue, Suite 400
Portland, OR 97201-4987
(503) 229-5263
FAX (503) 229-6945
TTY (503) 229-5471

February 26, 2003

Mr. David Ashton
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Portland Harbor Agreements

Dear David:

As described in my recent e-mail, the Department of Environmental Quality (DEQ) determined that a high priority Remedial Investigation was required for the Terminal 4/Slip 1 site after reviewing the Preliminary Assessment prepared by the Port. This determination was originally communicated to the Port in a letter from the DEQ on May 14, 2001. At that time the understanding was that an RI Agreement for T4/Slip 1 would be developed after the Agreement for T4/Slip 3 was negotiated. Now that this "template" agreement exists (since June 2002), DEQ expects that the Port will submit a draft Agreement for T4/Slip 1 to DEQ by March 25, 2003 that utilizes the RI scope elements in the DEQ's boilerplate Portland Harbor RI/Source Control Agreement (attached). Investigation of upland sites is critical to the success of the Portland Harbor project, and further delay of this project is not acceptable to DEQ.

Similarly, the DEQ expects a draft RI/Source Control Agreement for the Terminal 1- North site in the same timeframe.

Please call me at (503) 229-5326 if you have questions.

Sincerely,

Tom Gainer, P.E.
Project Manager
Cleanup & Portland Harbor

Enclosure: Voluntary Agreement for Remedial Investigation and Source Control Measures
(Portland Harbor)

cc (without enclosure): Michael Rosen, DEQ CU/PH
Anne Summers, Port
Kurt Burkholder, DOJ



CARG001092



Oregon

John A. Kitzhaber, M.D., Governor

Department of Environmental Quality

Northwest Region Portland Office

2020 SW 4th Avenue, Suite 400

Portland, OR 97201-4987

(503) 229-5263

FAX (503) 229-6945

TTY (503) 229-5471

May 14, 2001

Mr. Pad Quinn
Port of Portland
P.O. Box 3529
Portland, Oregon 97208

Re: Terminal 4 – Slip 1 Preliminary Assessment
11040 N. Lombard, Portland, Oregon
Portland Harbor Marine Terminal Sites

Dear Pad:

The Oregon Department of Environmental Quality (DEQ) reviewed the August 21, 2000 Terminal 4 (T4) Slip 1 Preliminary Assessment (PA) submitted by the Port of Portland. The DEQ appreciates the submittal of additional information as requested in our May 1, 2000 letter concerning the initial PA submitted in March 2000. The primary objective of the PA was to determine whether current or historic operations at the site may have resulted in a release of hazardous substances and whether that release may have contributed to sediment contamination in Portland Harbor. Based on a review of available information, it appears that the T4 - Slip 1 site is a source of Willamette River and sediment contamination. In addition, DEQ's review has generated the following comments on the PA.

- The subject property boundaries for the PA should be clearly delineated on the site figure. It is not clear to what extent portions along the eastern and southern sides of the slip are included. It appears that the southern boundary should extend to the limits of the T4 – Slip 3 study area, yet this area was not adequately described in the PA.
- The locations of some historical features (e.g., Warehouses 403/404, 6, and 7) and current features (e.g., gearlocker) described in the PA are not clear.
- Documentation of the stained soil removal around the former Rogers Terminal & Shipping aboveground used oil tank (Section 3.0) should be submitted to confirm adequate soil removal and elimination of a potential on-going contaminant source area.
- Waste characteristics for the Cargill and Cereal Foods parcels are based on a 1991 Environmental Assessment. Due to the age of the assessment, a more recent description of waste generation and management practices should be provided.



CARG001093

Mr. Pad Quinn
May 14, 2001
Page 3 of 3

be contributing metals, PAHs, and other semi-volatile organic compounds to Willamette River sediment, but does not appear to be the source of DDT sediment contamination (DDT was reportedly not used at this facility).

Potential contaminant migration to the river by groundwater cannot be evaluated because there are no groundwater monitoring wells on the subject site. While major sources of groundwater contamination were not identified in the PA, several leaks and spills were documented on the subject property that were assumed to have negligible impact on groundwater quality. During an April 30, 2001 site visit, petroleum sheen was visible on several seeps discharging at the head of Slip 1, indicating that subsurface groundwater contamination is likely present. Therefore, DEQ disagrees with the PA's conclusion that the subject site is not expected to have contamination impacts to groundwater.

Contamination of river sediments adjacent to the T4 - Slip 1 site may represent a threat to human health or the environment. In addition, it appears that the T4 - Slip site is a current source of sediment contamination. A Remedial Investigation (RI) should be conducted to evaluate potential upland site contaminant sources and potential migration pathways to the river. The RI should characterize and evaluate potential contaminants in soil, storm water discharges, and groundwater that may be impacting the Willamette River. As necessary, source control recommendations aimed at preventing potential further contamination of adjacent sediment should be addressed. DEQ has determined that these actions warrant a high priority for follow-up.

Please provide me with a written response to the PA comments within 30 days of receipt. A formal RI Agreement under the Port/DEQ Intergovernmental Agreement will follow shortly. Please call me if you have any questions.

Sincerely,



Tom Gainer, P.E.
Project Manager
Voluntary Cleanup/Portland Harbor

Enclosure

cc: Eric Blischke, DEQ/NWR



CARG001094



February 28, 2003

Tom Gainer
Cleanup/Portland Harbor
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, Oregon 97201-4987

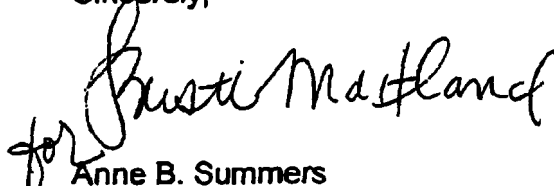
RE: Port Response to DEQ Comment Letter Dated May 14, 2001

Dear Tom:

The Port has reviewed DEQ's comment letter on the Terminal 4, Slip 1 Preliminary Assessment, dated May 14, 2001. Attached please find the Port's response to DEQ. Two copies of the response document are enclosed, one bound and one unbound for internal DEQ distribution.

Please feel free to contact me at (503) 944-7508 if you have any questions.

Sincerely,


for Anne B. Summers
Environmental Program Manager

Enclosures

c: David Ashton, Port
George Domijan, Port
Eric Schwamberger, Port
Bob Teeter, Port

T-4 0112.PDF

Klein, Dennis /mtka

From: KESWEETLAND@mactec.com
Sent: Tuesday, February 25, 2003 8:58 AM
To: Klein, Dennis /mtka
Subject: RE: Portland T4 remediation

Dennis- As we previously noted, since this did not involve a specific spill incident, we contacted the DEQ regional remediation specialist on a generic basis. While non-specific, we described the nature of the contaminants present (hydraulic oil) and the general conditions. As noted, DEQ handles all matters on a case by case basis, so the discussion with them necessarily was "general" in nature regarding their response. We performed our suggested remediation program based on those discussions. DEQ did note that 1000 ppm TPH would be a general cleanup guideline (although specific conditions of the site could alter those criteria).

Based on our findings that a TPH value of 1000 ppm left little in the way of specific contaminants (IE PNA's), there did remain some PNA values slightly above Oregon risk based standards. The exceedences seem to us to be more a function of some quite low cleanup targets under Oregon risk standards (various are set at 0.1 ppm) then the contaminants presenting particular risk. Nonetheless, we developed a somewhat conservative remediation plan (without getting to dramatic) with the objective of making reasonable attempt to remove the contaminated soils above 1000 ppm and best remove soils with PNA exceedences. We develop "go to" cleanup lines (cross-sections) to 500 ppm TPH. This approach would perhaps leave some 500 ppm soils but remove contamination to well below 1000 ppm TPH and, we trust, any excessive PNA contaminants. The only complicating factor we encountered is all the utilities present in the immediate area which will interfere with the extent of soils removable available (we will hand work this to the extent we can do so safely).

While we do not have a specific approved program with DEQ regarding this cleanup, we believe it meets the spirit of their criteria. Nonetheless, the only way to receive their full blessing (and any NFR response from them if such is required) would be to have them review the proposed effort and comment on (IE accept or reject). Such would add time and expense to the effort.

Kirk

Kirk E. Sweetland
Vice President
MACTEC Engineering & Consulting, Inc
f/k/a Harding ESE, Inc.
8901 N. Industrial Rd.
Peoria, IL 61615
309-693-5580
fax: 309-692-9364
e-mail: kesweetland@mactec.com

-----Original Message-----

From: Dennis_Klein@cargill.com [mailto:Dennis_Klein@cargill.com]
Sent: Friday, February 21, 2003 12:44 PM
To: Sweetland, Kirk
Subject: FW: Portland T4 remediation

Well, sir, how do I answer the DEQ question?

-----Original Message-----

From: childj@portptld.com [mailto:childj@portptld.com]
Sent: Friday, February 21, 2003 12:32 PM
To: Klein, Dennis /mtka
Cc: mallof@portptld.com
Subject: RE: Portland T4 remediation

Plan looks good--just let me know when your crew is planning on doing the work. Are you working with DEQ to get an "approval" for the cleanup?

Thanks

John Childs
Port of Portland
503/240-2011

-----Original Message-----

From: Dennis_Klein@cargill.com [mailto:Dennis_Klein@cargill.com]
Sent: Thursday, February 13, 2003 8:26 AM
To: childj@portptld.com; mallof@portptld.com
Cc: gene_loffler@cldpacific.com; Dennis_Klein@cargill.com
Subject: Portland T4 remediation

John:

Attached is the information we discussed on Thursday, February 6.

The sketch may not be totally accurate, however it will give you a good idea of the scope of work.

Please advise of any questions.

If you find this acceptable, may I request when we could begin work?

Thank you.

T-4 0113.PDF

Work Order No. 03-0017
To Agreement Between
MACTEC Engineering & Consulting, Inc. f/k/a Harding ESE, Inc. and Cargill, Inc.
Re: Portland, OR: Former T-4 Terminal Soils Cleanup
January 27, 2003

This Work Order No. 03-0017 dated January 27, 2003 issued pursuant to the Harding ESE, Inc. (now known as MACTEC Engineering & Consulting, Inc. ("MACTEC")) Environmental Services Agreement ("AGREEMENT") dated August 9, 2002, between Cargill, Incorporated, ("CARGILL"), and MACTEC, said AGREEMENT incorporated by reference herein.

MACTEC agrees to furnish labor, materials, equipment, and other items required to complete for CARGILL the professional services herein described to provide cleanup of hydraulic oil contaminated soils by excavation, transportation, and disposal (thermal destruction method) of the impacted soils.

1.0 SCOPE OF SERVICES

Previous remediation efforts by others and a subsequent investigation by MACTEC in October 2002 indicated the presence of oil contaminated soil around the C-11 Hydraulic Room and adjacent shed at the facility. The source of the oil is believed to be hydraulic oil, but no specific spill is known to have occurred by current facility personnel in this area. The results of the assessment indicated residual petroleum based contaminants remain; principally lube oil Total Petroleum Hydrocarbon (TPH) contaminants with slightly elevated levels of PNA contaminants, consistent with hydraulic oil contamination. The highest level of TPH identified being slightly above 4200 ppm.

Discussions with State of Oregon Department of Environmental Quality (DEQ) representatives indicate that site cleanups are handled on a case by case basis; however general criteria utilized are often based on 1000 ppm TPH general criteria. Comparative evaluations at the facility indicate that a few residual PNAs remain at or slightly above the State of Oregon Clean-up Standards at total TPH levels of approximately 1000 ppm. Based on these findings and in the absence of site specific criteria from DEQ, MACTEC has recommended that soils be removed using 1000 ppm total TPH as the guidance criteria. MACTEC has prepared a cleanup plan utilizing cross sections based upon best estimates of achieving soil contaminant levels below 1000 ppm total TPH. These cross sections provide for removal of 52 cu. yds. (approximately 70 tons) of contaminated soil. This criterion serves as the basis of the effort presented in this Work Order.

1.1 Field Activities

MACTEC shall mobilize to the site and perform soil excavation activities to remove an estimated 52 cu. yds. (approximately 70 tons) of hydraulic oil contaminated soil to an excavation line best estimated to be between 500 ppm total TPH and 1000 ppm total TPH. Contaminated soil shall be excavated by a combination of motorized excavator (for the bulk of the removal) and assisted by hand excavation around footings and in the vicinity of the considerable underground utilities in the area of excavation. The excavated material will be placed in roll-off boxes for transportation from the site to disposal.

A combination of visual, PID and olfactory assessment shall be used to best define the acceptable extent of excavation. An estimated Twenty (20) soil samples will be obtained from the excavation envelope for submittal to the laboratory for confirmatory purposes.

Following excavation of contaminated soils and sampling, the excavation will be backfilled with clean $\frac{3}{4}$ inch crushed rock. Material will be placed and compacted with the excavator bucket. The area will be graded to match the adjacent area.

The area will be cleaned to visual standards and demobilized by removing all equipment, tools etc from the site.

1.2 Transportation and Disposal of Excavated Materials

The excavated material will be transported by roll-off box truck to, subject to Cargill's acceptance, the TPS Technologies, Inc, Portland, OR facility or thermal treatment. The material to be removed from the site includes the previously removed stockpile of contaminated soils (approximately 20 additional cu. yds.).

2.0 SCHEDULE

The services described in Sections 1.1 thru 1.3 will commence within approximately two (2) weeks of receipt of the signed Work Order. It is anticipated that the time to complete this project is 2 field days with completion of the report approximately three (3) to four (4) weeks from commencement, contingent upon timely receipt of applicable information from the various subcontractors (transportation, thermal destruction/disposal).

3.0 CARGILL SUPPLIED INFORMATION/MATERIALS/ASSISTANCE

For MACTEC to complete the services under this Work Order, MACTEC requires CARGILL to facilitate access to the sites and provide information as to any known utilities in the area of proposed soil excavation.

T-4 0114.PDF

Sweetland, Kirk

From: Sweetland, Kirk
Sent: Friday, January 03, 2003 2:57 PM
To: 'Dennis_Klein@cargill.com'
Subject: RE: Portland Former Cargill T-4 Terminal/ Soils Investigation Draft Report



Cargill 1.dwg (75 KB)

Dennis- Attached is the sketch- it is in AutoCAD so you will need AutoCAD to open. In the event you don't, I have sent a good quality hardcopy of the sketch to you also. Kirk

Kirk E. Sweetland
Vice President
MACTEC Engineering & Consulting, Inc
f/k/a Harding ESE, Inc.
8901 N. Industrial Rd.
Peoria, IL 61615
309-693-5580
fax: 309-692-9364
e-mail: kesweetland@mactec.com

-----Original Message-----

From: Dennis_Klein@cargill.com [mailto:Dennis_Klein@cargill.com]
Sent: Thursday, December 26, 2002 12:56 PM
To: Sweetland, Kirk
Subject: RE: Portland Former Cargill T-4 Terminal/ Soils Investigation Draft Report

PS-- could you e-mail the sketch to me? Fax is hard to read fine print.

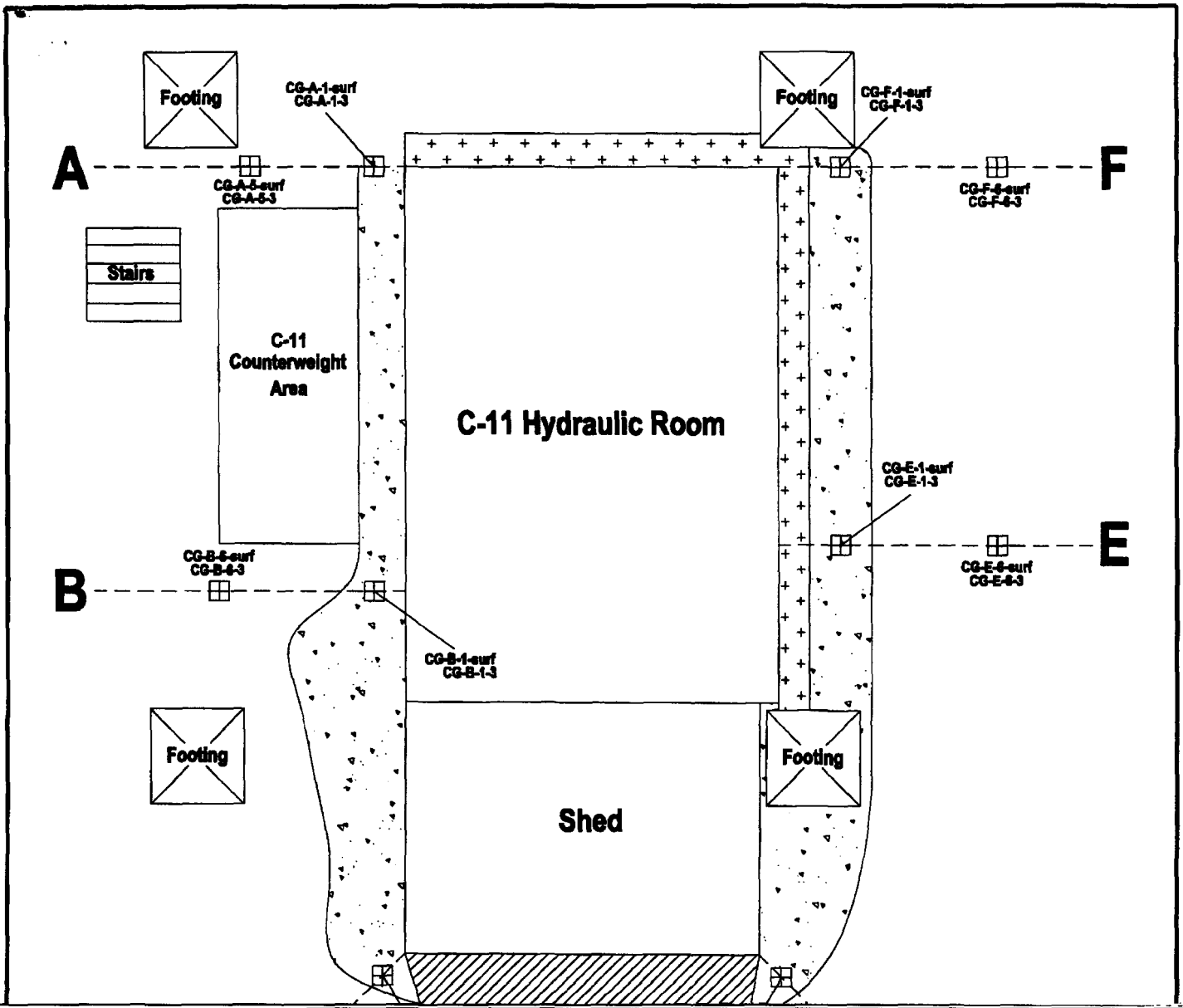
Thanks.

-----Original Message-----

From: KESweetland@mactec.com [mailto:KESweetland@mactec.com]
Sent: Friday, December 13, 2002 5:23 PM
To: Klein, Dennis /mtka
Subject: Portland Former Cargill T-4 Terminal/ Soils Investigation Draft Report

REVISED-Please disregard previous (correction made: dilution for leachate is 20 rather than 50 for chromium; does not impact findings (conclusions do not change; chromium appears to be a non-issue).

Dennis- Please find attached the draft report for the former T-4 terminal hydraulic oils contaminated soils investigation and attachments. The report should be self explanatory (I'll fax you the sampling schematic- you would need AutoCAD to read or print). As a very simplified view, the assessment was reasonably successful in identifying the vertical and horizontal extent of contamination. The 1000 ppm TPH criterion does a reasonably good job at defining the cleanup target both for it and PNA's. Additional sampling would be required to more firmly define the extent of contamination and correlations, but not it does appear the additional cost for such would justify the additional info



T-4 0115.PDF

Klein, Dennis /mtka

From: Klein, Dennis /mtka
Sent: Monday, December 23, 2002 2:06 PM
To: Klein, Dennis /mtka
Subject: FW: Cargill Portland T-4 update

-----Original Message-----

From: KESweetland@mactec.com [mailto:KESweetland@mactec.com]
Sent: Wednesday, November 20, 2002 3:03 PM
To: Klein, Dennis /mtka
Subject: Cargill Portland T-4 update

Dennis -I have most of the lab data for the former T-4 facility investigation. I have requested one additional PNA necessary to help fill a data gap. In general the field sampling effort came out productive. The most contaminated material appears to be already in the dumpster. However residual contamination does remain although what is left isn't too terribly bad. There still remains material in excess of the general 1000 ppm TPH criteria with various soils PNA parameters in excess of Oregon criteria, although only marginally so (Oregon has a number a quite low criteria for PNAs: there is no differentiation of residential and non-residential properties in their guidance criteria as with most programs). We may need go a little more than the 1000 ppm TPH guideline to provide a decent cleanup but probably not to 500 (this is what the additional analysis will help answer). With a couple of exceptions, 3 feet down demonstrates TPH's well below 500 ppm TPH (some cases not detectable or less than 100 ppm), so (at the risk of being premature) an average of 2 ft or so of excavation may be adequate (based on this info, current estimate is 40-50 cu yds so it is still a fair amount of material). We also do not yet have final Cr data; background analysis indicates 27+/- ppm total Cr. When we get the last analysis I will summarize the findings with best judgment and recommendations.

Kirk

Kirk E. Sweetland

Vice President

MACTEC Engineering & Consulting, Inc

f/k/a Harding ESE, Inc.

8901 N. Industrial Rd.

Peoria, IL 61615

309-693-5580

fax: 309-692-9364

e-mail: kesweetland@mactec.com

Dennis Klein, PE
Grain Environmental Manager
Cargill, Inc.
15407 McGinty Road West
Wayzata, MN

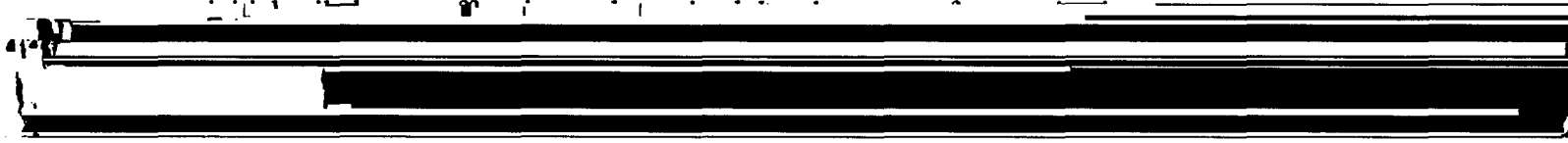
DRAFT

Ref: Former Cargill T-4 Terminal,
Portland, OR
Limited Soils Hydraulic Oil Contamination Assessment
Project No. 530809

Dear Dennis:

We have completed our limited investigation of the oil contaminated soils around the T-4 shed and terminal buildings at the former Cargill Portland T-4 facility. A brief summary of those findings are identified herein.

The current facility operator, working with the former facility operator, Cargill, had recently performed limited soils removal adjacent to the shed and terminal buildings at the site and placed removed materials into a dump box presently on-site. During this



personnel indicated the dump box sample contained 1900 mg/kg of total chromium, above the 1500 total chromium Oregon DEQ standard).

The results of analysis are tabulated in the attached spread sheet tables labeled "Cargill, Inc., Former T-4 Terminal, Portland, OR." Values exceeding Oregon DEQ standards or guidelines are bolded. As noted, TPH values range from Not Detectable (ND) to 4393 mg/kg. Lube oil TPH values uniformly being higher (in many cases substantially higher) than diesel range TPH values is consistent with the understanding that hydraulic oils are the primary source of the oil contamination present.

In the State of Oregon, soil contamination cleanup is guided by Oregon regulation OAR 340-122-045. Under that rule, a responsible party may propose a remediation plan under this rule if the responsible party meets the criteria (1) thru (5) as follows:

1. The characterization needs be conducted in matter acceptable to DEQ.
2. The characterization has determined the source, extent, number, and nature of the contaminants and these contaminants are in soil only.
3. Upon completion of the remedial actions, the residual contamination in soil will not pose a total excess risk of greater than 1×10^{-5} for carcinogens or a hazard index of 1 for non-carcinogens with similar critical endpoints.
4. No contaminants of concern at the facility will adversely affect surface water.
5. No contaminants of concern at the facility will adversely affect sensitive environments.

For purposes of characterization, two (2) primary analytical assessment criteria are used statewide. TPH is used as a general planning tool for cleanup assessment "screening". Based upon telephone conversations with the DEQ regional representative for the T-4 terminal geographic region, 1000 mg/kg TPH is used as a general cleanup guidance value for hydraulic oils (although specific cleanup are established by DEQ on a case by case basis). At a minimum, soils should be cleaned up to this 1000 ppm TPH criterion.

In addition to this TPH cleanup guideline, Oregon does also have risk based soil clean-up criteria (OAR 340-122-045). Sampling was performed for those parameters deemed significant in the OAR "Soil Cleanup Table" reference and are identified in the analytical results tables.

The objectives of this site assessment are as follows:

- 1) Perform sampling and analysis to identify possible correlations of TPH values detected to OAR PNA parametric cleanup standards, and to the extent possible, also include visual and/or field PID value correlations.
- 2). Determine the spatial extent of the 1000 ppm TPH soil contamination levels (horizontal and vertical extent of contamination).
- 3) Determine the extent of chromium contamination (IE, greater than 1500 mg/kg

concentration) and background levels of chromium to determine relevancy of the chromium data previously obtained (dump box sample).. For purpose of evaluation, total analysis concentrations of chromium are divided by 20 (the dilution factor present in the leachate analysis method to determine the maximum possible leachate concentrations). These values are compared to the ORA standard of 10 mg/l.

- 4) Determine the potential for groundwater contamination from the contamination present (no groundwater sampling was performed as part of this evaluation).

A summary of the findings are presented hence:

- 1) The results of sampling and analysis indicate a reasonably good correlation of TPH to acceptable PNA levels, particularly considering the 1000 ppm TPH criteria. Sample CG-A-5-3 suggests that at values near 1000 ppm TPH, PNA concentrations- while still slightly elevated for various PNA's-are only modestly higher and very near compliance levels. A significant impactor to exceedences of various PNA parameters is that Oregon has very low target values for a number of PNA parameters (many at 0.1 ppm). Nonetheless, it does appear that the 1000 ppm criteria is reasonable starting point for Cleanup (additional TPH and PNA analysis would be required to more firmly determine the best TPH target value to reasonably assure achievement of PNA criteria).
- 2) The sampling assessment appears to have defined reasonably well the vertical and horizontal extent of contamination (based upon the 1,000 ppm general criteria). Additional excavation of soils to a depth of 3 feet and to a distance of 6 feet from the buildings appears to be adequate to reduce TPH values to consistently below the 1,000 ppm TPH (in many cases considerably below) criterion. **The notable exception is in the southwest corner (area of samples CG-E-6-3 and CG-F-6-3) where additional excavation appears necessary to achieve the desired target levels.** Additional sampling would be required to more completely define this area, however we believe there is sufficient information available to address this area as part of a remediation effort.
- 3) The results of additional chromium sampling indicates **chromium contamination is not significant in the area of concern.** All values were substantially below the 1500 mg/kg criteria, as are the computed theoretical maximum leachate values.
- 4) There is no groundwater data available to make an assessment of groundwater impacts. However the limit penetration of PNA's found and the non-water soluble nature of hydraulic oils suggests there is minimal likelihood that significant groundwater impact has occurred as a result of the soil contamination.

Based upon this limited assessment, it appears that additional excavation to an additional depth of 3 feet at the building tapering up to approximately 2 feet at a horizontal distance of approximately 6 feet around the east, west and north sides of the shed and terminal

building will likely remediate soil concentrations down to an acceptable level. Additional excavation will be required in the southwest quadrant to best assure adequate removal. Our current best estimate is that on the order of 65 cubic yards will need to be removed and replaced (dependent upon the volume required in the southwest area around CG-E-6 and CG-F-6).

We greatly appreciate this opportunity to serve Cargill. Please contact us at your earliest convenience if there are any questions concerning this matter.

Very truly yours,
MACTEC Engineering & Consulting, Inc.

Kirk E. Sweetland
Vice President
309-693-5580
Attachments

T-4 0116.PDF



FACSIMILE TRANSMITTAL SHEET

TO: Dennis Klein, PE
COMPANY: Cargill, Inc
PHONE: 952-742-5622
FAX: 952-742-4088
SUBJECT: Portland Former T-4
PAGES: 2
(incl Cover)

FROM: Kirk E. Sweetland, VP
DATE: 12/16/2002
PHONE: 309-693-5580
FAX: 309-692-9364
Hard Copy to Follow?: ☐ Yes ☒ No
COPIES:

MACTEC Engineering & Consulting, Inc (MACTEC) was formerly known as Harding ESE, Inc. Senders address is: 8901 N. Industrial Rd., Peoria, IL 61615

If you experience any problems receiving this fax, please call 309-692-4422 or my administrative assistant, Yolanda @ 309-693-5698.

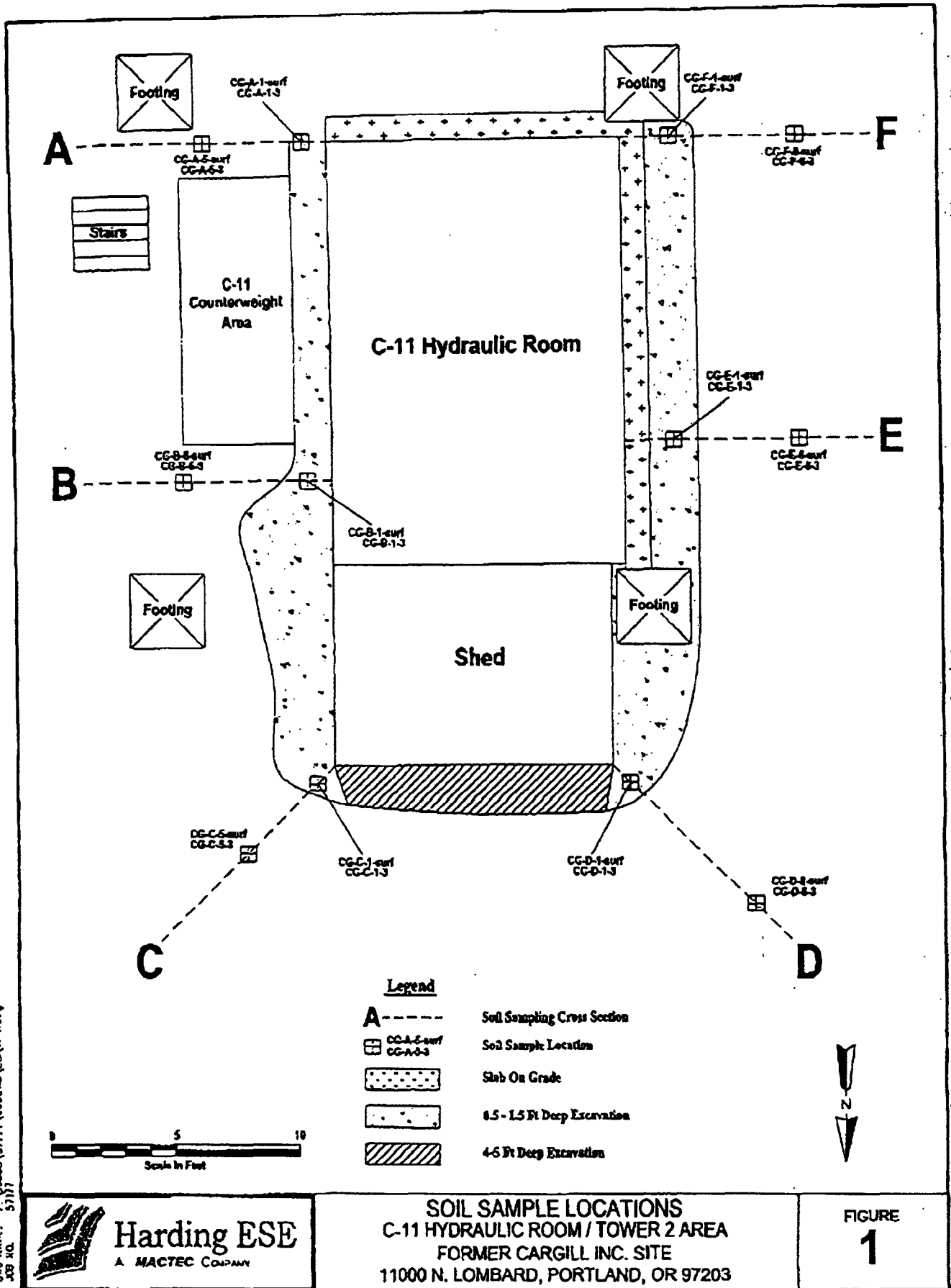
COMMENTS:

Dennis- Attached is the Figure 1 for the former Cargill Terminal T-4 facility showing the sampling cross-sections as referenced in the 12/13/2002 draft report.

Kirk

This facsimile is confidential and legally privileged information. If you are not the intended recipient kindly inform the sender immediately and destroy the original and all copies. Any copying, distribution, disclosure, or the taking of any action in reliance on the contents of this facsimile, or part thereof, in any form whatsoever, without the sender's express written consent, is prohibited and may be unlawful.

T-4 0117.PDF



PLOT
 10/25/02 1:05 PM
 DATE: 10/25/02
 DWS NAME: P:\50000\5177\000000\Car\10 1.dwg
 JOB NO. 5717



Harding ESE
A MACTEC COMPANY

Cargill, Inc.
Former T-4 Terminal
Portland, Oregon
Sample Date: 10/24/2002

Sample Identification	CG-A-1-SURF	CG-A-1-3	CG-A-5-Surf	CG-A-5-3	CG-B-1-Surf	CG-B-1-3	CG-B-6-Surf	CG-B-6-3	Oregon Soil Clean-up Standards OAR 340-122-045
Sample Depth	Surface	3 ft.	Surface	3 ft.	Surface	3 ft.	Surface	3 ft.	
Distance from Building	1 ft.	1 ft.	5 ft.	5 ft.	1 ft.	1 ft.	6 ft.	6 ft.	
Parameter	Units								
TPH									
Diesel Range Hydrocarbons (TPH)	mg/kg	240	17.4	131	255	275	ND	74.7	10.6
Lube Oil Range Hydrocarbons (TPH)	mg/kg	969	52.6	621	740	1100	ND	349	42.7
Combined (by calculation)	mg/kg	1209	70	752	995	1375	ND	423.7	53.3
PNAs									
Acenaphthene	mg/kg	ND (0.0500)			ND (0.0100)				2000
Acenaphthylene	mg/kg	ND (0.0500)			ND (0.0100)				NS
Anthracene	mg/kg	ND (0.0500)			0.011				20000
Benzo (a) anthracene	mg/kg	0.38			0.127				0.1
Benzo (a) pyrene	mg/kg	0.502			0.0528				0.1
Benzo (b) fluoranthene	mg/kg	0.56			0.203				0.1
Benzo (ghi) perylene	mg/kg	0.626			0.156				NS
Benzo (k) fluoroanthene	mg/kg	0.37			0.128				0.1
Chrysene	mg/kg	0.405			0.134				0.1
Dibenzo (a,h) anthracene	mg/kg	0.228			0.0462				0.1
Fluoranthene	mg/kg	0.56			0.194				8000
Fluorene	mg/kg	ND (0.0500)			ND (0.0100)				2000
Indeno (1,2,3-cd) pyrene	mg/kg	0.502			0.128				0.1
Naphthalene	mg/kg	ND (0.0500)			ND (0.0100)				30
Phenanthrene	mg/kg	0.156			0.055				NS
Pyrene	mg/kg	0.439			0.151				6000
Metals									
Chromium total (Cr)	mg/kg				151				1500**
Chromium Leachate, computed (a)	mg/l				7.55				10***

(a) computed as total/20 representing the maximum leachate concentration achievable

Chromium Background (sample CG-BG-0.5): 27.1 mg/kg

* 1000 mg/kg is an Oregon DEQ general guidance value for petroleum (hazardous substances) cleanups; final acceptance criteria is at the discretion of DEQ subject to provisions of OAR 340-122-045

** Total concentration; *** Leachate concentration

Cargill, Inc.
Former T-4 Terminal
Portland, Oregon
Sample Date: 10/24/2002

MACTEC Engineering & Consulting, Inc.

page 2 of 3

		Sample Identification	CG-C-1-Surf	CG-C-1-3	CG-C-5 Surf	CG-C-5-3	CG-D-1-Surf	CG-D-1-3	CG-D-8-Surf	CG-D-8-3	Oregon Soil Clean-up Standards OAR 340-122-045
		Sample Depth	1 ft.	3 ft.	Surface	3 ft.	Surface	3 ft.	Surface	3 ft.	
		Distance from Building	surface	1 ft.	5 ft.	5 ft.	1 ft.	1 ft.	8 ft.	8 ft.	
Parameter	Units										
TPH											
Diesel Range Hydrocarbons (TPH)	mg/kg	744	95.8	193	81.6	773	ND	160	36.4		
Lube Oil Range Hydrocarbons (TPH)	mg/kg	3480	496	894	369	3620	ND	755	141		
Combined (by calculation)	mg/kg	4224	591.8	1087	450.6	4393	ND	915	177.4		1000*
PNAs											
Acenaphthene	mg/kg					ND (2.00)					2000
Acenaphthylene	mg/kg					ND (2.00)					NS
Anthracene	mg/kg					ND (2.00)					20000
Benzo (a) anthracene	mg/kg					ND (2.00)					0.1
Benzo (a) pyrene	mg/kg					ND (2.00)					0.1
Benzo (b) fluoranthene	mg/kg					2.23					0.1
Benzo (ghi) perylene	mg/kg					2.09					NS
Benzo (k) fluoroanthene	mg/kg					ND (2.00)					0.1
Chrysene	mg/kg					ND (2.00)					0.1
Dibenzo (a,h) anthracene	mg/kg					3.07					0.1
Fluoranthene	mg/kg					ND (2.00)					8000
Fluorene	mg/kg					ND (2.00)					2000
Indeno (1,2,3-cd) pyrene	mg/kg					2.93					0.1
Naphthalene	mg/kg					ND (2.00)					30
Phenanthrene	mg/kg					ND (2.00)					NS
Pyrene	mg/kg					ND (2.00)					6000
Metals											
Chromium total (Cr)	mg/kg	72				78.6					1500**
Chromium-leachate/computed (a)	mg/l	3.6				3.93					10***

(a) computed as total/20 representing the maximum leachate concentration achievable

* 1000 mg/kg is an Oregon DEQ general guidance value for petroleum (hazardous substances) cleanups; final acceptance criteria is at the discretion of DEQ subject to provisions of OAR 340-122-045

** Total concentration; *** Leachate concentration

CARG001116

Cargill, Inc.
Former T-4 Terminal
Portland, Oregon
Sample Date:10/24/2002

MACTEC Engineering & Consulting, Inc.

page 3 of 3

Parameter	Sample Identification Sample Depth Distance from Building	CG-E-1-Surf surface 1 ft.	CG-E-1-3 3 ft. 1 ft.	CG-E-6-Surf Surface 6 ft.	CG-E-6-3 3 ft. 6 ft.	CG-F-1-3 Surface 1 ft.	CG-F-1-3 3 ft. 1 ft.	CG-F-6-Surf Surface 6 ft.	CG-F-6-3 3 ft. 6 ft.	CG-DB Dump Box	Oregon Soil Clean-up Standards OAR 340-122-045
TPH	Units										
Diesel Range Hydrocarbons (TPH)	mg/kg	244	ND	438	229	624	36.2	661	236	268	
Lube Oil Range Hydrocarbons (TPH)	mg/kg	1200	ND	2540	849	2410	224	2520	1670	1160	
Combined (by calculation)	mg/kg	1444	ND	2978	1178	3034	260.2	3181	1906	1448	1000*
PNAs											
Acenaphthene	mg/kg			ND (0.100)						ND (0.0500)	2000
Acenaphthylene	mg/kg			ND (0.100)						0.122	NS
Anthracene	mg/kg			ND (0.100)						0.168	20000
Benzo (a) anthracene	mg/kg			ND (0.100)						0.346	0.1
Benzo (a) pyrene	mg/kg			0.122						0.534	0.1
Benzo (b) fluoranthene	mg/kg			0.144						0.566	0.1
Benzo (ghi) perylene	mg/kg			0.158						0.37	NS
Benzo (k) fluoroanthene	mg/kg			ND (0.100)						0.363	0.1
Chrysene	mg/kg			ND (0.100)						0.377	0.1
Dibenzo (a,h) anthracene	mg/kg			0.165						0.162	0.1
Fluoranthene	mg/kg			ND (0.100)						0.674	8000
Fluorene	mg/kg			ND (0.100)						ND (0.0500)	2000
Indeno (1,2,3-cd) pyrene	mg/kg			0.18						0.38	0.1
Naphthalene	mg/kg			ND (0.100)						ND (0.0500)	30
Phenanthrene	mg/kg			ND (0.100)						0.265	NS
Pyrene	mg/kg			ND (0.100)						0.405	6000
Metals											
Chromium total (Cr)	mg/kg									1900 (b) 0.707 (b)	1500** 10***

* 1000 mg/kg is an Oregon DEQ general guidance value for petroleum (hazardous substances) cleanups; final acceptance criteria is at the discretion of DEQ subject to provisions of OAR 340-122-045
** Total concentration; *** Leachate concentration
(b) Result previously obtained for Cargill by others

CARG001117

T-4 0118.PDF

CARGILL, INC.
FORMER T-4 TERMINAL
PORTLAND, ORE
Sample Date: 10/24/2002

MACTEC Engineering & Consulting, Inc.
Peoria, IL
Bellevue, WA

Sample Reference: Depth: Distance From Building:		CG-A-1-Surf Surface 1 ft.	CG-A-5-3 3 ft. 5 ft.	CG-C-1-Surf Surface 1 ft.	CG-D-1-Surf Surface 1 ft.	CG-E-6-Surf Surface 6 ft.	CG-DB Dump Box	USEPA Region 9 Preliminary Remediation Goals (PRGs)-Industrial version 10/01/02	USEPA Region 9 SSL's Migration to GW version 10/01/02
Parameter	Units								
PNAs									
Acenaphthene	mg/kg	ND (0.0500)	ND (0.0100)		ND (2.00)	ND (0.100)	ND (0.0500)	29,000	570
Acenaphthylene	mg/kg	ND (0.0500)	ND (0.0100)		ND (2.00)	ND (0.100)	0.122	NS	NS
Anthracene	mg/kg	ND (0.0500)	0.011		ND (2.00)	ND (0.100)	0.168	100,000	12,000
Benzo (a) anthracene	mg/kg	0.38	0.127		ND (2.00)	ND (0.100)	0.346	2.1	2
Benzo (a) pyrene (y)	mg/kg	0.502	0.0528		ND (2.00) *	0.122	0.534	0.21	8
Benzo (b) fluoranthene	mg/kg	0.56	0.203		2.23	0.144	0.566	2.1	5
Benzo (ghi) perylene	mg/kg	0.626	0.156		2.09	0.158	0.37	NS	NS
Benzo (k) fluoroanthene	mg/kg	0.37	0.128		ND (2.00)	ND (0.100)	0.363	21	49
Chrysene	mg/kg	0.405	0.134		ND (2.00)	ND (0.100)	0.377	210	160
Dibenzo (a,h) anthracene (y)	mg/kg	0.228*	0.0462		3.07	0.165	0.182	0.21	2
Fluoranthene	mg/kg	0.56	0.194		ND (2.00)	ND (0.100)	0.674	22,000	4,300
Fluorene	mg/kg	ND (0.0500)	ND (0.0100)		ND (2.00)	ND (0.100)	ND (0.0500)	26,000	560
Indeno (1,2,3-cd) pyrene	mg/kg	0.50	0.128		2.9	0.18	0.36	2.1	14
Naphthalene	mg/kg	ND (0.0500)	ND (0.0100)		ND (2.00)	ND (0.100)	ND (0.0500)	190	84
Phenanthrene	mg/kg	0.156	0.055		ND (2.00)	ND (0.100)	0.265	NS	NS
Pyrene	mg/kg	0.439	0.151		ND (2.00)	ND (0.100)	0.405	29,000	4,200
Metals									
Chromium total (Cr)	mg/kg		151	72	78.6		1900(b)	450	38
Chromium Background (sample BG-0.5)= 27.1 mg/kg									
Chromium Leachate, (a)	mg/l		7.55	3.6	3.93		0.707 (b)	**	

Bolded analysis results indicate those results exceeding either of the PRG or SSL criteria; lowest of the PRG or SSL values also bolded.

(a) computed (total result/20 representing the maximum leachate concentration achievable; actual leachate values are likely considerably lower)

(b) results of analysis performed previously for Cargill by others

ND (0.0100) = Not Detected (Reporting Limit of 0.0100 mg/kg);

ND (0.0500) = Not Detected (Reporting Limit of 0.0500 mg/kg); and 0.200 mg/kg for ND (0.200) respectively.

Sample CG-A-5-3 was added later for analysis of PNA's (method 8270) and analysis exceeded USEPA recommended holding times.

* ND value is higher than one or more of the PRG or SSL values

(y) Likely the determining parameter(s) for cleanup

T-4 0119.PDF



Seattle 11720 North Creek Pkwy N, Suite 400, Bothell, WA 98011-8244
425.420.9200 fax 425.420.9210
Spokane East 11115 Montgomery, Suite B, Spokane, WA 99208-4778
509.924.9200 fax 509.924.9230
Portland 9405 SW Nimbus Avenue, Beaverton, OR 97008-7132
503.906.9200 fax 503.906.9210
Bend 20332 Empire Avenue, Suite F-1, Bend, OR 97701-5711
541.382.9210 fax 541.382.7588


8 July, 2002

Tim Archer
Foss Environmental
6211 N. Ensign St.
Portland, OR 97217

RE: Cargill

Enclosed are the results of analyses for samples received by the laboratory on 05/24/02 15:55. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Howard Holmes
Project Manager

Work Orders included in this report:
P2F0566



Seattle 11720 North Creek Pkwy N, Suite 400, Bothell, WA 98011-8244
425.420.9200 fax 425.420.9210
Spokane East 11115 Montgomery, Suite B, Spokane, WA 99208-4776
509.924.9200 fax 509.924.9290
Portland 9405 SW Nimbus Avenue, Beaverton, OR 97008-7132
503.906.9200 fax 503.906.9210
Bend 20332 Empire Avenue, Suite F-1, Bend, OR 97701-5711
541.383.9310 fax 541.382.7588

Foss Environmental
6211 N. Ensign St.
Portland, OR 97217

Project: Cargill
Project Number: P2093
Project Manager: Tim Archer

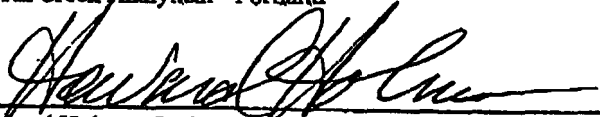
Reported:
07/08/02 00:11

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
2093-SP-01	P2F0566-01	Soil	05/23/02 14:04	05/24/02 15:55

North Creek Analytical - Portland

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.


Howard Holmes, Project Manager

North Creek Analytical, Inc.
Environmental Laboratory Network

1 of 5

CARG001122



Seattle 11720 North Creek Pkwy N, Suite 400, Bothell, WA 98011-8244
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Foss Environmental
6211 N. Ensign St.
Portland, OR 97217

Project: Cargill
Project Number: P2093
Project Manager: Tim Archer

Reported:
07/08/02 00:11

TCLP Metals per EPA 1311/6000/7000 Series Methods
North Creek Analytical - Portland

Analyte	Result	Reporting Limit	Units	Dilution	Method	Prepared	Analyzed	Batch	Notes
2093-SP-01 (P2F0566-01) Soil					Sampled: 05/23/02 Received: 05/24/02				
Arsenic	ND	0.100	mg/l	1	1311/6020	06/30/02	07/02/02	2070039	
Barium	2.67	0.100	"	"	"	"	"	"	
Cadmium	0.102	0.100	"	"	"	"	"	"	
Chromium	0.707	0.100	"	"	"	"	"	"	
Lead	ND	0.100	"	"	"	"	"	"	
Mercury	ND	0.000200	"	"	1311/7470A	07/02/02	07/02/02	2061018	
Selenium	ND	0.100	"	"	1311/6020	06/30/02	07/02/02	2070039	
Silver	ND	0.100	"	"	"	"	"	"	

North Creek Analytical - Portland

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

Howard Holmes, Project Manager

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Environmental Laboratory Network

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CARG001123



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Foss Environmental
 6211 N. Ensign St.
 Portland, OR 97217

Project: Cargill
 Project Number: P2093
 Project Manager: Tim Archer

Reported:
 07/08/02 00:11

ICEL Metals per EPA 1311/6000/7000 Series Methods - Quality Control

North Creek Analytical - Portland

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-------------	-----	-----------	-------

Batch 2061018 - EPA 1311/7470A

Blank (2061018-BLK1)

Prepared & Analyzed: 07/02/02

Mercury ND 0.000200 mg/l

LCS (2061018-BS1)

Prepared & Analyzed: 07/02/02

Mercury 0.00496 0.000200 mg/l 0.00500 99.2 75-125

Matrix Spike (2061018-MS1)

Source: P2F0566-01

Prepared & Analyzed: 07/02/02

Mercury 0.00500 0.000200 mg/l 0.00500 ND 100 50-150

Batch 2070039 - EPA 1311/3005

Blank (2070039-BLK1)

Prepared: 06/30/02 Analyzed: 07/02/02

Arsenic	ND	0.100	mg/l
Barium	ND	0.100	"
Cadmium	ND	0.100	"
Chromium	ND	0.100	"
Lead	ND	0.100	"
Selenium	ND	0.100	"
Silver	ND	0.100	"

LCS (2070039-BS1)

Prepared: 06/30/02 Analyzed: 07/02/02

Arsenic	4.38	0.100	mg/l	5.00	87.6	75-125
Barium	10.7	0.100	"	10.0	107	75-125
Cadmium	0.955	0.100	"	1.00	95.5	75-125
Chromium	5.23	0.100	"	5.00	105	75-125
Lead	4.50	0.100	"	5.00	90.0	75-125
Selenium	2.05	0.100	"	2.00	102	75-125
Silver	0.937	0.100	"	1.00	93.7	75-125

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Howard Holmes, Project Manager

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CARG001124



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Foss Environmental
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 Portland, OR 97217

Project: Cargill
 Project Number: P2093
 Project Manager: Tim Archer

Reported:
 07/08/02 00:11

TICP Metals per EPA 1311/3005 Series Methods - Quality Control

North Creek Analytical - Portland

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC Limits	RPD Limit	Notes
---------	--------	--------------------	-------	----------------	------------------	----------------	--------------	-------

Batch 2070039 - EPA 1311/3005

Matrix Spike (2070039-MS1)		Source: P2F0566-01		Prepared: 06/30/02		Analyzed: 07/02/02	
Arsenic	4.61	0.100	mg/l	5.00	ND	92.2	50-150
Barium	13.3	0.100	"	10.0	2.67	106	50-150
Cadmium	1.10	0.100	"	1.00	0.102	99.8	50-150
Chromium	6.05	0.100	"	5.00	0.707	107	50-150
Lead	4.59	0.100	"	5.00	ND	91.6	50-150
Selenium	2.15	0.100	"	2.00	ND	106	50-150
Silver	0.975	0.100	"	1.00	ND	97.5	50-150

North Creek Analytical - Portland

Howard Holmes, Project Manager

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

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CARG001125



Seattle 11720 North Creek Pkwy N, Suite 400, Bothell, WA 98011-6244
425.420.9200 fax 425.420.9210
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Foss Environmental
6211 N. Ensign St.
Portland, OR 97217

Project: Cargill
Project Number: P2093
Project Manager: Tim Archer

Reported:
07/08/02 00:11

Notes and Definitions

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

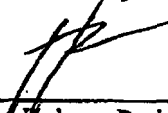
NR Not Reported

dry Sample results reported on a dry weight basis. MRLs are adjusted if %Solids are less than 50%.

wet Sample results reported on a wet weight basis (as received)

RPD Relative Percent Difference

North Creek Analytical - Portland


Howard Holmes, Project Manager

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

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Environmental Laboratory Network

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CARG001126



P.O. Box 83357
9030 N.W. St. Helens Rd.
Portland, OR 97283
(503) 283-1151 FAX (503) 289-6568

Alloy/Body

Chain of Custody/ Laboratory Analysis Request

~~P2F0786~~
P2F0566

DATE 05/23/02 PAGE 1 OF 1

PROJECT <u>Cargill</u> , <u>P2093</u>					ANALYSIS REQUESTED										OTHER (Specify)		NUMBER OF CONTAINERS	RECEIVED IN GOOD CONDITION		
CLIENT INFO. CONTACT					BASE/NEUTRALIZED ORGANICS GC/MS/825/8270	VOLATILE ORGANICS GC/MS/825/8270	PCB's GC/MS/825/8270	TPH (circle method) 418, 1 or 8015	BTEX (circle method) 8240 or 8221	ELUATED SOLVENTS 8240	TCLP ELUATED SOLVENTS 1511/8240	TCLP METALS DO04-11	METALS (TOTAL) As, Ba, Cd, Cr, Cu, Pb, Ni, Hg, Ag, Se, Sn, Tl, Sb, Zn	TCLP ORGANICS (specify methods) • 1001/8240 • 8240/8240 • 8240/8240 • 8240/8240	DISCHARGE TESTING	"TOX" Test			Total PCBs (S) Method	TPH - HClD
FOSS/GENERATOR NAME <u>Tim ARCHER</u>																				
TELEPHONE # <u>503-243-1150</u>																				
SAMPLERS NAME <u>P2093 PAVANDELL</u> PHONE # <u>503-1150</u>																				
SAMPLERS SIGNATURE <u>[Signature]</u>																				
SAMPLE I.D.	DATE	TIME	LAB I.D.	TYPE																
1. 2093-SP-01	5/23/02	1404		Soil (sub)												X	X	X	(As Vials.)	2
2. 2093-S-01		1440																X		1
3. 2093-S-02		1442																X		
4. 2093-S-03		1450																X		
5. 2093-S-04		1609																X		
6. 2093-S-05		1620																X		
7. 2093-S-06		1628																X		
8. 2093-S-07		1631																X		

*** HOLD**
pending results
of HOLD test

Relinquished By		Relinquished By		Relinquished By		SPECIAL INSTRUCTIONS / COMMENTS: LNs. North Creek Analytical Turnaround: Standard 3-5 day except HClD (24-hr) Notes: 2093-SP-01 → if "Tox" test over 100 ppm run 8260 VOC's 2093-SP-01 → if HClD positive, run Dx or Gx as necessary to quantify 22.1°C ray telek FOSS P.O. # <u>P2093</u>	
Signature <u>[Signature]</u>		Signature <u>[Signature]</u>		Signature			
Printed Name <u>BOB PAVANDELL</u>		Printed Name		Printed Name			
Firm <u>Foss</u>		Firm		Firm			
Date/Time <u>03/24/02 0810</u>		Date/Time		Date/Time			
Received By		Received By		Received By			
Signature <u>[Signature]</u>		Signature		Signature			
Printed Name <u>Bob F</u>		Printed Name		Printed Name			
Firm <u>NCA</u>		Firm		Firm			
Date/Time <u>5/24/02 @ 15.55</u>		Date/Time		Date/Time			

DISTRIBUTION: WHITE - return to originator; YELLOW - lab; PINK - returned by originator

(LAB-200 Rev. 2/96)

CARG001127

JUL-08-2002 02:57

North Creek AnalyticalPDX

5039069210

P.08

address
Mail Stop #1

T-4 0122.PDF



August 2, 2004

Mr. Tom Gainer
Senior Environmental Engineer
Cleanup/Portland Harbor
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201

**Subject: Response to Comments
Draft Remedial Investigation Work Plan
Terminal 4 Slip 1 Upland Facility
ECSI No. 2365**

Dear Mr. Gainer:

This letter responds to the Department of Environmental Quality (DEQ) comments on the May 2004 *Draft Remedial Investigation (RI) Work Plan* for the Terminal 4 Slip 1 Upland Facility ("the Facility"). The draft RI Work Plan was prepared by URS Corporation and submitted on behalf of the Port of Portland (Port). The draft RI Work Plan was prepared in accordance with the Scope of Work outlined in the *Voluntary Cleanup Program Agreement for Remedial Investigation, Source Control Measures, and Feasibility Study*, effective December 4, 2003 (VCP Agreement). The DEQ comments on the draft RI Work Plan were presented in a June 10, 2004 letter to the Port. The Port's response to the DEQ comments of June 10 was discussed in a meeting with DEQ staff held on July 14, 2004 and is documented herein.

The June 10 DEQ letter provided General, Specific and Sampling and Analysis Plan Comments. The comments are presented (or summarized) below in italics followed by the Port's response.

Response to General Comment

***DEQ Comment:** DEQ is concerned that without confirmatory information regarding the locations of underground AOCs, the data collection objectives of the uplands RI may not be met. DEQ recommends that the Port consider conducting field work prior to initiating drilling to further assess the locations of underground AOCs as necessary. The pre-drilling work could include excavating exploratory test pits using a backhoe or geophysical surveys (e.g., ground penetrating radar).*

Port Response: In the July 14 meeting, the Port proposed an alternative approach for assessing and identifying Areas of Concern (AOCs) that addresses the DEQ concern. The Port proposes using groundwater analysis as the indicator of the presence of impact from potential AOCs. This approach is premised on the fact that the AOCs at the Facility involve historical (e.g., occurred more than 30 years ago) or long-time (e.g., have been occurring for 30 or more years) operations. If chemicals were released from in an AOC, the chemicals have had sufficient time to leach to groundwater and the area of impact

will be larger and easier to locate than the soil impact. Therefore, because the exact locations of some of the AOCs are not known, groundwater quality assessment will provide the most reliable indicator of the presence of an AOC. The Port requested that Hart Crowser evaluate each potential AOC identified in Table 2 of the draft RI Work Plan to determine the appropriate assessment technique for identifying an AOC. Where the location of the AOC is generally known, surface (for surface features) or subsurface (for underground features) soil sampling is combined with groundwater analysis to evaluate the AOC. Where the exact location of the AOC is not known, groundwater sampling is proposed to identify whether the potential AOC has caused an impact. In these cases, if an impact is determined through groundwater sampling, additional soil and/or groundwater sampling may be completed during Phase III of the RI to assess the lateral and vertical extent.

To demonstrate the effectiveness of this approach, the Port has prepared the attached Table 1, which lists each of the AOCs to be investigated and provides the rationale supporting the use of groundwater as an indicator for potential impact at the appropriate AOCs. Figure 1 provides a map illustrating proposed boring locations. For the most part, the locations are the same as in the draft RI Work Plan, although some locations have been shifted slightly to be either more centrally located within a potential AOC or in a downgradient position to the potential AOC. Table 1 identifies the locations that have been moved and provides the supporting rationale for the move.

It is noted that minor changes to some of the analytical suites proposed in the draft RI Work Plan are also presented on Table 1 with the supporting rationale (e.g., using HCID to identify the presence of petroleum hydrocarbons, followed by quantification if present).

Response to Specific Comments

DEQ Comment: Sections 2.1.5 and 3.3 It is not appropriate to exclude permitted storm water discharges from the RI. All storm water discharges should be evaluated as potential contaminant migration pathways to the Willamette River. Storm water and/or catch basin sediment sampling may be appropriate for complete migration pathways (i.e., there are potential contaminant sources to storm water that could be transported to the river by pipe or overland). Existing permit sampling data can be used as an initial evaluation, but additional analyses for chemicals of interest are typically required.

Port Response: It is not the Port's intention to exclude permitted stormwater discharges from the RI. The draft RI Work Plan proposes stormwater characterization activities as part of Phase II of the RI to include:

- Compiling stormwater permit documents and implementation plans;
- Documenting and evaluating stormwater BMPs employed at the site; and
- Documenting and evaluating the condition of the stormwater system relative to site activities and the potential for pollutant transport.

Following completion of Phase II activities, specifically the analysis of surface soil chemical analysis results from Phases I and II of the RI, recommendations for further

stormwater assessment (including catch basin sediment sampling or stormwater sampling, if appropriate) will be presented in the Phase II Data Summary/Phase III Evaluation Report. If further stormwater assessment is necessary, it would then be completed during Phase III of the RI.

DEQ Comment: Section 3.3 (Stormwater Characterization) references a "Phase II Data Summary/Phase III Evaluation Report" that will assess the potential for storm water to contact soil impacted by COIs and provide recommendations for additional work, if appropriate. Further references to this report were not found. It's not mentioned in Section 6.0 (RI Report Preparation), and is not shown in Table 2 (Project Documents and Schedule for Delivery to DEQ) or on Figure 4 (Project Schedule) of the Project Management Plan.

Port Response: If results of Phase II activities demonstrate that additional field work is needed (i.e., Phase III field work) to better define AOCs and complete the RI, a Phase II Data Summary/Phase III Evaluation Report will be prepared that summarizes the Phase II analytical data and proposes the scope for Phase III activities. If Phase III activities are not needed and the RI is complete upon the completion of the Phase II activities, this report will not be prepared and the project will proceed to the preparation of the RI Report, as described in Section 6.0. The RI Work Plan will be revised to clarify this reporting process.

DEQ Comment: Section 2.3 and Table 2 DEQ recommends revising COIs proposed for the following individual AOCs:

AOC 9, Railroad Track Staining Area. Creosote is a complex mixture of organic chemicals, many of which may not be included in a U.S. Environmental Protection Agency (USEPA) 8270C, Selective Ion Method (SIM) analysis of polycyclic aromatic hydrocarbons (PAHs) associated with petroleum hydrocarbons. Some of these chemicals (e.g., dibenzofuran, carbazole) have screening criteria applicable to the uplands RI. DEQ recommends analyzing soil samples for semi-volatile organic compounds (SVOCs), including PAHs, to account for potential impacts to soil by creosote.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCs (including PAHs) for soil samples collected at AOC 9.

AOC 12, General Pesticide Usage. The RI Work Plan indicates that the industrial activities in OU1 included use of rodent and pest control, and that, "The quantities, types, storage areas, and application areas of these pesticides are not known." Although COI are identified for Area 12, an approach for locating and assessing the locations of the referenced pesticide use areas is not included and should be proposed.

Port Response: As discussed in the July 14, 2004 meeting, the RI Work Plan will be revised to include surface soil sampling across the former Cargill leasehold to address this concern. Figure 1 and Table 1 identify the proposed additional surface soil sampling locations. The surface soil samples will be analyzed for organochlorine pesticides by EPA Method 8081A and organophosphorus pesticides by EPA Method 8041A.

AOC 25, Waste Pile. The RI Work Plan indicates that railroad ties were disposed of in the waste pile, and that information regarding the period of use, the waste types, and disposal practices for this AOC are not documented. Given the presence of potential impacts to soil by creosote and the unknown history of the waste pile, DEQ recommends that SVOCS, including PAHs, be added to the list of COI.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCS (including PAHs) for soil samples collected at AOC 25.

AOC 54, Hall-Buck T-24. According to the RI Work Plan, "This tank is described as a 10,000-gallon UST of unknown contents that was reportedly removed." An assumption is made that the UST was formerly used for petroleum product storage. DEQ recommends that polychlorinated biphenyls (PCBs) and metals be added to the list of COI in the event used oil was placed in the UST.

Port Response: The RI Work Plan will be revised to include the analysis of PCBs and metals on samples collected at AOC 54.

AOC 60, City CPD T-44. If, as the RI Work Plan indicates, this AOC could be the same as AOC 58, then the list of COIs should be the same. As such, DEQ recommends that metals be added to the COI list for AOC 60.

Port Response: Metals will be added to the COI list for AOC 60.

AOC 64, Former Leckenby Fumigation Plant. If pesticides are not detected at this AOC, DEQ will require additional information to make the determination that they are absent. Additional information could include; 1) assessing the types and usage of pesticides during the period of fumigation plant operation, and 2) evaluating whether the chemicals included in the USEPA Method 8081A and USEPA Method 8141A analyte lists are reasonably expected to be detected (i.e., were the chemicals being manufactured during the period of fumigation plant operation).

Port Response: The Port will assess the types and usage of pesticides typically used during the period the fumigation plant operated to support the use of the proposed pesticide analytical suites. This information will be included in the revised RI Work Plan.

AOC 72, Railroad Alignments. See DEQ's comments above for AOC 9 (Railroad Track Staining Area) and AOC 25 (Waste Pile) regarding analyzing samples for SVOCS, including PAHs.

Port Response: The RI Work Plan will be revised to include the analysis of SVOCS (including PAHs) for surface soil samples collected at AOC 72.

AOC 74, Utility Storage Building. Port employees indicate this building was formerly used to store hazardous materials, including "paint supplies and industrial cleaning agents." Given the general nature of the information regarding the stored materials and the potential for paints to have been present, DEQ recommends that metals and SVOCS, including PAHs, be added to the list of COI for this AOC.

Port Response: The RI Work Plan will be revised to include the analysis of metals and SVOCs (including PAHs) for soil samples collected at AOC 72.

DEQ Comment: Section 3.2.2 *This paragraph describes the general approach for assessing the potential impacts to the environment associated with AOCs that handled fluids or discharged fluids to the subsurface, and those that did not. The text suggests that assessment of potential impacts to groundwater by AOCs where fluids were not handled will be conducted during Phase III of the RI if appropriate.*

DEQ recommends that the Port consider collecting reconnaissance groundwater samples at these AOCs if they are located downgradient of AOCs that handled fluids. This information could provide useful information on the nature and extent of potential groundwater impacts and could reduce duplicative drilling and sampling work.

Port Response: The Port's proposed approach for assessing subsurface and surface AOCs was discussed in the July 14, 2004 meeting and is described in our response to the DEQ General Comment on Page 1 of this letter.

DEQ Comment: Section 3.2.3 *The RI Work Plan does not appear to propose much in the way of additional work to assess the influence these pathways could have on groundwater flow at the site. In addition, proposals for collecting data regarding the hydraulic properties of the "fill/upper alluvium" hydrogeologic unit and the fine-grained confining unit are not included in the RI Work Plan.*

Port Response: The objective of Phase I and II field activities is to assess whether potential AOCs identified in the RI Work Plan based on a detailed historical review of the Facility have impacted groundwater (or soil). If groundwater impacts are not identified during these field activities, a detailed understanding of the site hydrogeology is not warranted. If groundwater impacts are identified, additional hydrogeologic characterization will be proposed for Phase III activities, as appropriate to assess the potential migration of groundwater from the area of impact to the river and/or for assessment of source control measures.

DEQ Comment: Section 3.3 *Storm water sampling will likely be necessary (see comment above). It is not clear if you are proposing to conduct such sampling during Phase III activities.*

Port Response: See response to DEQ comments on Section 2.1.5 and 3.3 on Page 2 of this letter.

DEQ Comment: Section 4.3 *Water use at the subject site should reference the evaluation presented in Section 7.3 the T4 Slip 3 RI (January 21, 2000).*

Port Response: The Water Use discussion for the Facility will reference, as appropriate, the evaluation presented in the Terminal 4 Slip 3 RI in the revised RI Work Plan.

DEQ Comment: Section 5.1.2 *The probable effects concentrations (PECs) for freshwater sediments should be added to screen erodible soil that could migrate to river sediment by pipe or overland transport. Similarly, PECs should be added to Table 6 in Appendix A.*

Port Response: These evaluations are a part of a stormwater characterization process. As described above, stormwater assessment will be developed based on the results of surface soil sampling conducted during Phase I and II of the RI and, if additional sampling is warranted, the sampling will be completed during Phase III of the RI. As a part of this evaluation process, the appropriate screening criteria for Phase I and II data will be proposed and discussed with the DEQ, and presented in the Phase II Data Summary/Phase III Evaluation Report.

DEQ Comment: *Figure 9 DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.*

Port Response: As described in our response to the DEQ General Comment and detailed on Table 1, impact to site media from these potential AOCs will be assessed through groundwater sampling and analysis. Therefore, groundwater samples from borings located directly adjacent to and downgradient of these potential AOCs will provide the most useful data to assess whether these potential AOCs have impacted soil and groundwater. Figure 1 illustrates the proposed sampling locations at these AOCs.

Response to Sampling and Analysis Plan Comments

DEQ Comment: *Section 3.2 Although not specifically stated in the RI Work Plan, DEQ expects that monitoring wells will be installed in a boring separate from the soil boring. That is, at drilling locations designated for monitoring wells, after the soil boring has been completed and the depth of the monitoring well selected, drilling equipment will be moved and the monitoring well boring will be advanced within a few feet of the corresponding soil boring. Given the status of the T4/S1 RI (i.e., limited drilling and sampling completed within the interior of the site) and the locations of proposed borings (i.e., in or near AOCs), this approach will minimize, to the extent practicable, the potential for shallow impacted material to fall down the borehole into the screened interval of the monitoring well.*

Port Response: In the July 14, 2004 meeting, DEQ further clarified its concern that soil borings would be installed using push probe techniques to advance a small diameter hole. Following completion of the soil boring, the push probe equipment would be removed and larger diameter push probe equipment would then be advanced in the same hole for completion of the monitoring well. The Port will not use this technique for monitoring well installation and the RI Work Plan will be revised to clarify well installation procedures.

DEQ Comment: *Section 5.1 Section 2.3.1 (OU1 Areas of Concern) of the RI Work Plan indicates that the source of suspected impacts in AOC 29 (Schnitzer Auto Fluff Area) is "...dust, particulate matter, and projectiles that accumulate on the ground surface..." Therefore, DEQ recommends that, if they are not already included in the soil sampling program, surface soil samples be collected at each of the boring locations shown in Figure 3.*

Port Response: Surface soil samples are proposed for the Schnitzer Auto Fluff Area and Figure 3 will be revised to clarify the collection of surface samples at the sampling locations in this area.

DEQ Comment: *Section 7.2 A sentence should be added to this paragraph that indicates water level measurements will be made prior to initiating sampling activities at a monitoring well.*

Port Response: The RI Work Plan will be revised to include a sentence clarifying that water level measurements will be collected prior to initiating groundwater sampling activities.

Additionally, there appear to be two stabilization criteria provided for determining when a monitoring well should be sampled. The first set of criteria is the bulleted list of items from Section 3.3 (Monitoring Well Development). The second criterion uses a "10% of the previous reading" approach. DEQ requests clarification as to which set will be used during monitoring well sampling.

Port Response: The Port will adopt the second criterion: 10% of the previous reading.

DEQ Comment: *Section 7.2 This section of the Sampling and Analysis Plan (SAP) indicates that, "Dissolved metals samples will be collected using a new, in-line disposable 40-micron filter." DEQ believes the Port intends to use a 0.45-micron filter.*

Port Response: This is correct and the RI Work Plan will be so revised.

DEQ Comment: *Section 8.7.3 Table 5 of the SAP indicates that many of the analyte specific laboratory method reporting limits are greater than human and/or ecological screening levels. The text of the SAP does not describe how this data will be reviewed and managed (e.g., if not detected will these analytes be retained as "chemicals of potential concern"). DEQ requests that this information be provided.*

Port Response: The data will be reviewed to assess the general results and trends to determine whether non-detect analytes will be retained as potential COPCs. For example, if other analytes in a particular analytical suite are non-detect (and these detection limits are below screening criteria), it would be reasonable to conclude that the few compounds with detection limits above criteria are not present and do not warrant being retained as COPCs. On the other hand, if many other compounds in the analysis suite have been detected, the compounds with detection limits exceeding screening criteria would reasonably be retained as COPCs. The RI Work Plan will be revised to clarify this approach.

DEQ Comment: *Table 2 The meaning of Note 3 is unclear. DEQ requests that it be further explained. In addition, the table should be revised to incorporate DEQ's comments regarding AOCs made to Section 2.3 (Areas of Concern) of the RI Work Plan.*

Mr. Tom Gainer
August 2, 2004
Page 8

Port Response: As discussed in the July 14, 2004 meeting, Note 3 on Table 2 will be clarified and the table will be revised to include the additional analytes recommended by the DEQ in its June 10 comments letter (and discussed above).

DEQ Comment: *Table 4* This table indicates "rinsate blanks" will be collected and analyzed for water samples. The first paragraph of Section 7.2 (Groundwater Sample Collection) of the SAP indicates that groundwater samples will be collected using dedicated decontaminated tubing and/or bailers that are discarded between uses. As such, rinsate blanks would not appear to be applicable to groundwater samples.

Port Response: Agreed.

In addition, this table does not include a column showing the numbers of duplicate soil and/or water samples that will be collected and analyzed during the field program. The table should be revised accordingly.

Port Response: The table will be revised accordingly.

DEQ Comment: *Tables 5 and 6* These tables do not provide MRLs and/or screening criteria for the list of SVOCs analyzed for using USEPA Method 8270C (see Table 4 of the SAP). Both tables should be revised accordingly.

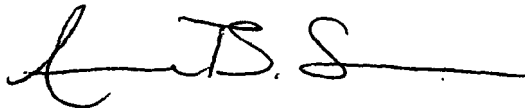
Port Response: The tables will be revised accordingly.

DEQ Comment: *Figure 3* DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.

Port Response: Please see the response to the Specific DEQ comment on Figure 9 (Page 6 of this letter).

As we discussed in our meeting of July 14, the Port will revise and resubmit the RI Work Plan once we have received your approval of this response to comments. Please do not hesitate to call me at (503) 944-7323 or Anne Summers at (503) 944-7508 if you have questions.

Sincerely,



Kristi Maitland
Environmental Project Manager

CARG001137

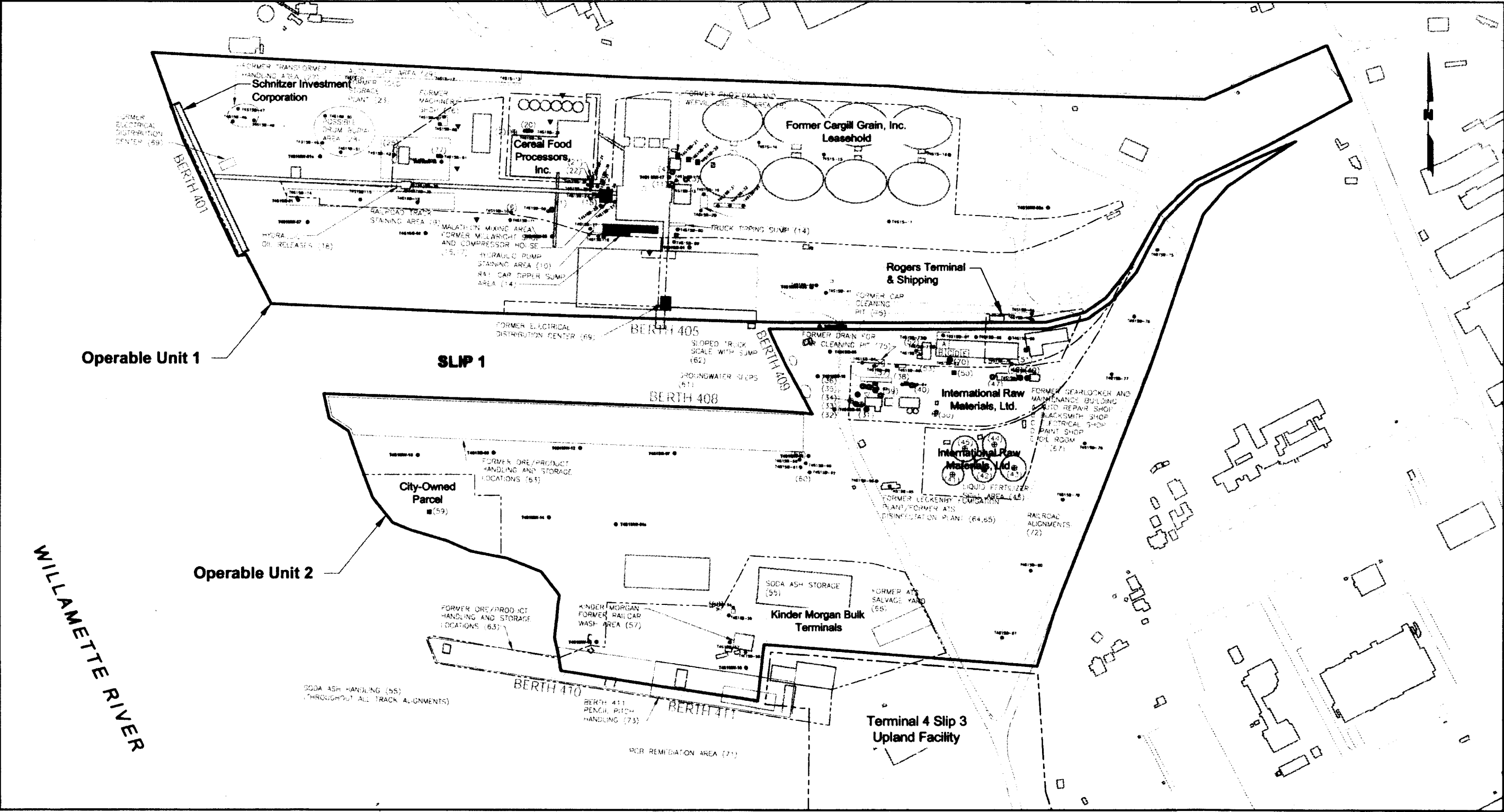
Mr. Tom Gainer
August 2, 2004
Page 9

Enclosures:

Table 1: Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Figure 1: Phase I and Proposed Phase II RI Sampling Locations

c: Dana Bayuk, DEQ
Dennis Klein, Cargill Inc.
Kimberly Thorstad, Cargill Inc.
David Ashton, Port
Krista Born, Port
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Phase I and Proposed Phase II Sample Locations
Port of Portland
Terminal 4 Slip 1 Upland Facility



Notes: 1.) Base map prepared from the Draft T4 Slip 1 RI Work Plan Phase I and Phase II Sample Locations provided by URS, dated May 2004. 2.) Horizontal Datum: State Plane Coordinates, Oregon North, NAD 83. Vertical Datum: NAVD 29.

Legend:

- T4S1MW-12 ● Monitoring Well Location and Number
- T4S1SB-07 ● Soil Boring Location and Number

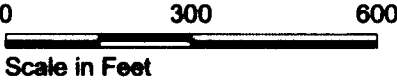


Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ^a	Description	Summary of RI Activities	Analytical Methods ¹	Proposed Changes and Rationale ²	Exploration or Sample Designations	Sampling Activities ^{3, 4, 5, 6}						
										Surface Soil		Subsurface Soil		Groundwater		
										Phase I	Phase II	Phase I	Phase II	Phase I	Phase II	
1	Cargill T-45	OU1	Former Cargill Leasehold	Exact	Cargill Tank #45: 675-gallon, steel, diesel AST, removed in September, 2003. Locomotive and other small equipment fueling. Adsorbent material observed on ground near former tank location.	Drill one boring adjacent to former AST.	HCID, VOCs, PAHs	HCID instead of TPHg and TPHd; See note 8 for rationale. Because this is a surface feature, subsurface soil samples will not be collected; see Note 9 for rationale.	T4S1SB-09	-	1	-	0	-	-	1
5	Cargill T-22	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #22: 500-gallon, "Heater" Fuel Oil UST, DEQ file # 401. Tank was located in the basement of the Grain Storage Building in an area with limited access. Surface is paved.	UST was reported to be in basement of building and is inaccessible. Other borings and monitoring wells will be installed at locations across and downgradient of this AOC.	TPH-Gx, TPH-Dx, VOCs, PAHs	No Change.	-	-	-	-	-	-	-	-
6	Cargill T-23	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #23: 1,000-gallon, Diesel UST, DEQ file # 401. Decommissioned (date unknown). Located southwest of the headhouse. Reportedly removed in 1989.	Drill two borings adjacent to former UST.	HCID; VOCs, PAHs	HCID instead of TPHg and TPHd; See note 8 for rationale. No surface soil collection - releases, if occurred, would be subsurface.	T4S1SB-10	-	0	-	1	-	-	1
									T4S1SB-11	-	0	-	1	-	-	1
7	Cargill T-85	OU1	Former Cargill Leasehold	Approx.	Cargill Tank #85: (may be same as #22)/ Used Oil, removed in 1993, DEQ file # 401.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals [OCC, OCP - surface soil only]	HCID instead of TPHg and TPHd; See note 8 for rationale. Surface soil only to be analyzed for pesticides. No surface soil collection - releases, if occurred, would be subsurface.	T4S1SB-12	-	1	-	1	-	-	1
									T4S1SB-13	-	0	-	1	-	-	1
9	Railroad Track Staining Area	OU1	Former Cargill Leasehold	Exact	Tracks between Berth 401 and the Track Shed. Track staining was identified by URS and ATC during their site reconnaissances.	Drill one monitoring well and two soil borings downgradient of and three borings adjacent to railroad tracks.	HCID, VOCs, SVOCs	HCID instead of TPHg and TPHd; See note 8 for rationale.	T4S1MW-07	-	-	-	-	1	1	
									T4S1SB-01	-	-	-	-	1	-	
									T4S1SB-02	-	-	-	-	1	-	
									T4S1SB-14	-	1	-	-	-	1	
									T4S1SB-15	-	1	-	-	-	1	
									T4S1SB-16	-	1	-	-	-	1	
10	Cargill Hydraulic Pump Area Staining	OU1	Former Cargill Leasehold	Exact	Staining around the two hydraulic pump units was identified by URS and ATC during the site reconnaissance.	Drill one monitoring well downgradient of and two borings adjacent to the hydraulic pumps.	HCID, VOCs, PAHs, PCBs	HCID instead of TPHg and TPHd; See note 8 for rationale.	T4S1MW-06	-	-	-	-	1	1	
									T4S1SB-03	-	-	-	-	1	-	
									T4S1SB-17	-	1	-	-	-	-	
									T4S1SB-18	-	1	-	-	-	-	
									T4S1MW-17	-	-	-	-	-	1	1
									T4S1SB-03	-	-	-	-	-	(1)	-
11	Cargill Former Deep Well	OU1	Former Cargill Leasehold	Known	1963 drawing shows the well supplied water to the Dust House. Well was filled in 1992 with cement according to Oregon Water Well Report dated April 27, 1992. Field notes indicate approximately 7 feet of oil seen on top of water, beginning at 27 feet bgs. Spencer Environmental pumped 307 gallons of "product" from the well, and PCB tests were negative.	Drill monitoring well adjacent to and two borings downgradient of former well.	TPH-Gx, TPH-Dx, VOCs, PAHs	No change.	T4S1SB-04	-	-	-	-	1	-	
12	General Pesticide Usage	OU1	Former Cargill Leasehold	General	Pesticides used in Cargill operations. Quantities, types, and storage areas not known.	Review procedures for pesticide use, including quantity and type.	TPH-Gx, TPH-Dx, OCP, OPP	Petroleum not used, so TPH analysis not necessary. Collect 4 surface soil samples for pesticide analysis in locations where they were applied and randomly within grain storage area.	T4S1SS14 through T4S1SS-17	-	4	-	-	-	-	-
13	Former Transformer House	OU1	Former Cargill Leasehold: Southwest of Grain Storage Area	Known	Built ~1918, had below-ground transformer storage. Demolished in 1977. Transformer type not known.	Drill two borings within footprint of former transformer house.	TPH-Gx, TPH-Dx, PAHs, PCBs (also OCC, OCP on surface soils)	Groundwater sampling will be conducted to identify whether this is an area of concern; if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9.	T4S1SB-19	-	1	-	0	-	-	1
									T4S1SB-20	-	1	-	0	-	-	1
14	Cargill Basement Level Sumps	OU1	Former Cargill Leasehold: Cargill Rail Car Tipper Sump	Exact	Cargill Rail Car Tipper Sump contained "discolored and odorous" liquid (likely groundwater) observed during Facility walk. Additional sump at Truck Tipper Scale.	Drill one monitoring well and two borings downgradient of and one boring adjacent to sumps.	HCID, VOCs, PAHs, PCBs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale.	T4S1MW-08	-	-	-	-	(1)	(1)	
									T4S1SB-03	-	-	-	-	-	(1)	-
									T4S1SB-04	-	-	-	-	-	(1)	-
									T4S1SB-00	-	0	-	0	-	-	1
									T4S1SB-21	-	1	-	0	-	-	1
									T4S1SB-22	-	1	-	0	-	-	1
15	Abandoned Cesspools	OU1	Former Cargill Leasehold: Several locations	4 Known; 2 Approx.	4 cesspools identified on maps west of the grain storage silos were labeled as demolished. 2 cesspools (south of the Cargill Truck Dump and west of the former Millwright Shop) were noted on undated Cargill blueprints.	Drill five borings adjacent to former cesspools.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, OCP, OPP, Metals	Gasoline unlikely; will only quantify if VOC pattern indicates gasoline is present. Location of probes shifted inside of cesspool footprints because cesspools are abandoned. Groundwater sampling will be conducted to determine if cesspool an AOC; see Note 9 for rationale.	T4S1SB-23	-	1	-	0	-	-	1
									T4S1SB-24	-	1	-	0	-	-	1
									T4S1SB-09	-	1	-	0	-	-	1
									T4S1SB-25	-	1	-	-	-	-	1
									T4S1SB-26	-	1	-	-	-	-	1
									T4S1SB-27	-	1	-	-	-	-	1
16	Cargill Malathion Mixing Area	OU1	Former Cargill Leasehold: west of Cargill Grain Facility Building	Exact	Room used for bulk Malathion™ storage (in drums) and mixing the Malathion™ with grain prior to shipment. Application ceased in 1997. One HAZMAT response recorded for worker exposure resulting in illness. Odor observed by ATC and URS during site reconnaissance.	Drill four borings adjacent to Malathion mixing area.	OCP, OPP	Groundwater analysis will be conducted to identify whether or not an AOC. Because this is a surface feature, if significant pesticides not detected in either surface soil or groundwater, area will not be considered an AOC.	T4S1SB-28	-	1	-	-	-	-	1
17	Cargill Former Millwright Shop and Compressor House	OU1	Former Cargill Leasehold: West of Flour Mill	Exact	1981 historic maps show UST, compressor and sump, and possible UST (no confirmation on 500-gallon heating oil UST in other documents). Information regarding chemical handling has not yet been identified.	Drill four borings adjacent to former millwright shop and compressor house.	TPH-Gx, TPH-Dx, VOCs, PAHs	Groundwater analysis added - see note for AOC 16.	T4S1SB-25	-	(1)	-	-	-	-	(1)
									T4S1SB-26	-	(1)	-	-	-	-	(1)
									T4S1SB-27	-	(1)	-	-	-	-	(1)
									T4S1SB-28	-	(1)	-	-	-	-	(1)

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ⁶	Description	Summary of RI Activities	Analytical Methods ⁷	Proposed Changes and Rationale ⁸	Exploration or Sample Designations	Sampling Activities ^{1,10,11}					
										Surface Soil	Subsurface Soil	Groundwater	Phase I	Phase II	Phase III
18	Cargill Hydraulic Oil Releases	OU1	Former Cargill Leasehold) Pump house near Cargill Truck Inspection Canopy and C-10 location	Exact	Remediation conducted at C-10 location but not complete. Excavations exposed during June 2003 Facility walk. November 2003 excavation left contaminated soil on-site due to access limitations. Regulatory status of release not known. No additional information on C-10 release is available.	Drill two borings within footprint of hydraulic oil release area.	HCID	HCID will be used to identify whether TPH is present; see note 8 for rationale.	T4S1SB-29	-	Q	-	Q	-	1
									T4S1SB-30	-	Q	-	Q	-	1
19	Former Blacksmith Shop	OU1	Former Cargill Leasehold	Known	1924 Sanborn Fire Insurance map shows shop layout with general storage, carpentry, tractor storage, and a blacksmith shop. May have used fuel for a furnace or other equipment.	Drill three borings within footprint of former blacksmith shop.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals [OCC, OCP on surface soil from SB-32]	OCC, OCP on surface soil from SB-32 added.	T4S1SB-31	-	1	-	-	-	1
									T4S1SB-32	-	1	-	-	-	1
									T4S1SB-33	-	1	-	-	-	1
20	Cereal Foods T-19	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #19: 10,000-gallon, Fuel Oil #5 UST. DEQ file # 447. Tank decommissioned (date unknown).	Drill two borings adjacent to former fuel oil UST.	HCID, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Borings shifted from URS location. Complete both probes at former UST location, one at each end of UST. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-34	-	Q	-	1	-	1
									T4S1SB-35	-	Q	-	1	-	1
21	Cereal Foods T-20	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #20: 1,000-gallon, Diesel UST, removed in approximately 1989, DEQ file # 447. Tank decommissioned by removal in 1989.	Drill two borings adjacent to former diesel UST.	HCID, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-36	-	Q	-	1	-	1
									T4S1SB-37	-	Q	-	1	-	1
22	Cereal Foods T-21	OU1	Cereal Foods Leasehold	Approx.	Cereal Foods Tank #21: 1,000-gallon, Fuel Oil #2 UST, DEQ field # 447. Tank decommissioned (date unknown).	Drill two borings adjacent to former fuel oil UST.	TPH-Gx, TPH-Dx, VOCs, PAHs	HCID instead of TPH-Gx and TPH-Dx analyses; see Note 8 for rationale. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-38	-	Q	-	1	-	1
									T4S1SB-39	-	Q	-	1	-	1
24	Cafeteria Oil-Storage UST	OU1		General	Fuel oil-storage UST shown in 1985 historical drawing, adjacent to former cafeteria.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals	HCID will be used to identify whether TPH present; see Note 8. PCBs and metals not warranted because this was a fuel oil tank. As location can only be generally located, probes will be performed downgradient (SW) of the former building. Surface soil sampling not proposed because this is a subsurface feature.	T4S1SB-40	-	Q	-	1	-	1
									T4S1SB-41	-	Q	-	1	-	1
25	Waste Pile	OU1	One pile observed in western portion of Facility	Exact	Pile contained tires, scrap metal, railroad ties, and other debris that has been removed. Period of use, historical disposal practice not yet identified.	Drill two borings adjacent to former waste pile.	TPH-Gx, TPH-Dx, HCID, VOCs, PAHs, PCBs, Metals	Description and location of pile appears that it was short-lived, therefore only one probe will be installed. HCID analysis, with followup quantification; see Note 8 for rationale. Groundwater analysis will be used to assess whether area is an AOC; see Note 9 for rationale.	T4S1SB-42	-	1	-	-	-	1
									T4S1SB-43	-	Q	-	-	-	-
26	Former Gas Fueling Station	OU1	Along southern boundary of Carroll Road	Approx.	Used by U.S. Army Transport Service during WWII. Very little information regarding period of use, gas tank location, fueling practices.	Drill two borings adjacent to former gas fueling station.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Chemical analysis of soil samples not proposed. Groundwater sampling will be conducted to identify whether this is an area of concern; if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9.	T4S1SB-44	-	Q	-	Q	-	1
									T4S1SB-45	-	Q	-	Q	-	1
27	Former Transformer Handling Area	OU1	Western boundary, former Warehouse No. 5	Approx.	Former PCB material handling area. Interviews indicate staining of soils in the vicinity of PCB-containing equipment load/unload ramp.	Drill one monitoring well downgradient of and three borings within footprint of former transformer handling area.	HCID, PAHs, PCBs	HCID will be used to identify whether TPH present; see Note 8 for rationale.	T4S1MW-01s	-	1	-	-	1	1
									T4S1SB-46	-	1	-	-	-	-
									T4S1SB-47	-	1	-	-	-	-
									T4S1SB-48	-	1	-	-	-	-
28	Possible Drum Burial Area	OU1	Western portion of Facility	Approx.	A past employee alleged that the area west of the Cargill office contained buried drums. An investigation including geophysical testing (in 1993) was performed and anomalies were discovered.	Drill three borings within footprint of possible drum burial area.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, OCP, OPP, Metals	Subsurface soil sampling not proposed. Groundwater sampling will be conducted to identify whether this is an area of concern; if chemicals are detected, additional soil and groundwater sampling may be conducted in Phase III. See Rationale in Note 9. Surface soil will be analyzed for PAHs, PCBs, pesticides, and metals to provide analytical coverage across site.	T4S1SB-49	-	1	-	Q	-	1
									T4S1SB-50	-	1	-	Q	-	1
									T4S1SB-51	-	1	-	Q	-	1
29	Schnitzer Auto Fluff Area	OU1	Northern property boundary	General	Auto demolition occurring at Schnitzer Steel results in dust and airborne particulate dispersion on OU1 property.	Drill three borings within footprint of auto fluff area.	HCID, SVOCs, PCBs, Metals	Surface soil concern only. (Well T4S1MW-24 can be used to assess for metals impacts to groundwater).	T4S1SS-11	-	1	-	-	-	-
									T4S1SS-12	-	1	-	-	-	-
									T4S1SS-13	-	1	-	-	-	-
54	Half-Buck T-24	OU2	Kinder Morgan Leasehold	General	Half-Buck Tank #24: 10,000-gallon UST, contents unknown (possibly gasoline). Reportedly decommissioned (date unknown). May be same tank as tank T-43 (an active Kinder Morgan UST). West side of Building 434.	Drill two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAH	No change.	T4S1SB-55	-	1	-	1	-	1
									T4S1SB-56	-	1	-	1	-	1
57	Kinder Morgan Former Railcar Wash Area	OU2	Kinder Morgan Leasehold: South of Soda Ash Storage Building	Exact	Interview with Port personnel indicates presence of former rail car wash area. Photos from 1988 show wash down occurring in the area (no rail car visible).	Drill one monitoring well downgradient of and two borings adjacent to rail car wash.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Chemical analysis of subsurface soil samples not proposed - because this is a surface feature, surface soil and groundwater analysis will be used to assess whether release occurred; See rationale in note 9.	T4S1MW-16	-	-	-	-	1	1
									T4S1SB-57	-	1	-	Q	-	1
									T4S1SB-58	-	1	-	Q	-	1
58	T-26	OU2	West side of Building 334	Approx.	Tank #26: Size unknown, gasoline UST. Tank management manual indicates the tank was removed with no documentation of the removal date (date unknown).	Drill one monitoring well downgradient of and two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals, Metals	No change. Surface soils being collected for general site coverage.	T4S1MW-11	1	-	-	-	1	1
									T4S1SB-59	-	1	-	1	-	1
									T4S1SB-60	-	1	-	1	-	1

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ¹	Description	Summary of RI Activities	Analytical Methods ¹	Proposed Changes and Rationale ²	Exploration or Sample Designations	Sampling Activities ^{3,4,5,6}					
										Surface Soil		Subsurface Soil		Groundwater	
										Phase I	Phase II	Phase I	Phase II	Phase I	Phase II
60	City CPD T-44	OU2	West side of Building 334	Approx.	City CPD Tank #44: Size unknown, diesel UST, reportedly removed (date unknown). May be same tank as AOC 58.	Drill one monitoring well downgradient of and two borings adjacent to former UST.	TPH-Gx, TPH-Dx, VOCs, PAHs, metals	Surface soil sampling not proposed because this is a subsurface feature.	T4S1MW-11	(1)	—	—	—	(1)	(1)
									T4S1SB-61	—	Q	—	1	—	1
									T4S1SB-62	—	Q	—	1	—	1
61	Groundwater Seeps	OU2	Below Base of Ro Ro Dock	Known	Observed by DEQ during a 4/30/01 Facility visit. Three small seeps observed by HAI in November 2002, but no sheen. HAI collected 4 grab samples. Two PAHs detected above SLVs. No source of sheen identified.	Drill two borings and three monitoring wells immediately upgradient of groundwater seeps.	TPH-Gx, TPH-Dx, VOCs, PAHs, OCP, OPP	No Change.	T4S1MW-03s	—	—	—	—	1	1
									T4S1MW-09	—	—	—	—	1	1
									T4S1MW-10	—	—	—	—	1	1
									T4S1SB-05	—	—	—	—	1	—
									T4S1SB-06	—	—	—	—	1	—
									T4S1MW-09	—	—	—	—	(1)	(1)
62	Sloped Truck Scale with Sump	OU2	North of IRM offices	Approx.	Truck scale shown as sloped, with sump at the bottom. Sump discharges to surface infiltration area. Currently in use by IRM.	Drill two monitoring wells and one boring downgradient of and two borings adjacent to truck scale with sump.	TPH-Gx, TPH-Dx, VOCs, PAHs	No change.	T4S1MW-10	—	—	—	—	(1)	(1)
									T4S1SB-05	—	—	—	—	(1)	—
									T4S1SB-63	—	Q	—	Q	—	1
									T4S1SB-64	—	Q	—	Q	—	1
									T4S1MW-12	1	—	—	—	1	1
									T4S1MW-13	1	—	—	—	1	1
63	Former Ore/Product Handling and Storage Locations	OU2	Pier 2 and Pier 4	General	Materials stored/handled on site until 1996. Included ore, sulfur, coal, soda ash, petroleum, manganese, tallow, and lead.	Drill four monitoring wells, two borings, and collect nine surface soil samples within footprint of former ore/product handling and storage locations.	Metals	Phase I results did not indicate an impact by metals. Therefore, no further assessment is necessary in Phase II.	T4S1MW-15	1	—	—	—	1	1
									T4S1MW-16	1	—	—	—	(1)	(1)
									T4S1SB-07	1	—	—	—	1	—
									T4S1SB-08	1	—	—	—	1	—
									T4S1S-1 through T4S1S-9	—	Q	—	—	—	—
									T4S1MW-10	—	—	—	—	(1)	(1)
64	Former Leckenby Fumigation Plant	OU2	West of IRM tank farm	Approx.	1923-1955; used to fumigate Asian cotton or "other commodities requiring reconditioning i.e. peanuts, rice, beans, and other foodstuffs".	Drill two monitoring wells and one soil boring downgradient of and two borings adjacent to former fumigation plant.	OCP, OPP	Subsurface sampling not proposed - because this was a surface application, surface soil and groundwater analysis will be used to assess whether release occurred.	T4S1MW-11	(1)	—	—	—	(1)	(1)
									T4S1SB-06	—	—	—	—	(1)	—
									T4S1SB-65	—	1	—	Q	—	1
									T4S1SB-66	—	1	—	Q	—	1
									T4S1MW-10	—	—	—	—	(1)	(1)
									T4S1MW-11	(1)	—	—	—	(1)	(1)
65	Former ATS Disinfection Plant	OU2	May be same location as AOC 64	Approx.	Specific location not known (indication that it was east of Warehouse No. 1, OU2). Built in 1943, used by U.S. Government Army Transport Service for delousing soldiers and POWs and their belongings. An Army directive from 1944 instructed military installations to use methyl bromide.	Drill two monitoring wells and one soil boring downgradient of and two borings adjacent to former disinfection plant.	OCP, OPP	See AOC 64.	T4S1SB-06	—	—	—	—	(1)	—
									T4S1SB-65	—	(1)	—	Q	—	(1)
									T4S1SB-66	—	(1)	—	Q	—	(1)
									T4S1MW-09	—	—	—	—	(1)	(1)
									T4S1MW-10	—	—	—	—	(1)	(1)
									T4S1SB-05	—	—	—	—	(1)	—
67	Gearlocker and Maintenance Building	OU2	Rogers Terminal Building	General	Housed blacksmith, auto, paint, electrical, oil room, carpenter shops. Exit and area outside of auto shop showed soil staining, as reported by Port personnel. Types and quantities of materials used not yet known.	Drill two monitoring wells downgradient of and six borings around margin of building.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs, Metals	Groundwater analysis added and soil sampling removed; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1SB-67	—	Q	—	—	—	1
									T4S1SB-68	—	Q	—	—	—	1
									T4S1SB-69	—	Q	—	—	—	1
									T4S1SB-70	—	Q	—	—	—	—
									T4S1SB-71	—	Q	—	—	—	1
									T4S1SB-72	—	Q	—	—	—	1
68	Boiler House	OU2	West of Gearlocker Building	Exact	Built in 1919, still existing. Associated equipment included 2.5' below-ground gas line and fueling station.	Drill two borings adjacent to boiler house.	TPH-Gx, TPH-Dx, VOCs, PAHs	Groundwater analysis added and soil sampling removed; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1SB-73	—	Q	—	—	—	1
									T4S1SB-74	—	Q	—	—	—	1
69	Former PCB-Containing Transformer Locations	OU1/OU2	All locations, quantity, and period of use not known	General	Limited information available.	Review information on transformer locations. If warranted, identify locations for surface soil sampling.	TPH-Gx, TPH-Gx, TPH-Dx, PAHs, PCBs	No change.	—	—	X	—	—	—	—
72	Railroad Alignments	OU2	-	Exact	Potential for spills and dust dispersion during ore and raw material transport. Hazardous substances found during rail maintenance work.	Drill seven borings along former railroad alignments.	HCID, VOCs, SVOCs, Metals	HCID to identify presence of hydrocarbons; see Note 8. Borings will be installed to 5 feet (not 30 feet).	T4S1SB-75	—	1	—	1	—	—
									T4S1SB-76	—	1	—	1	—	—
									T4S1SB-77	—	1	—	1	—	—
									T4S1SB-78	—	1	—	1	—	—
									T4S1SB-79	—	1	—	1	—	—
									T4S1SB-80	—	1	—	1	—	—
73	Berth 411 Pencil Pitch Handling	OU2	Berth 411	General	Active until 1996. Historical evidence of upland spills.	Drill one monitoring well and collect two surface soil samples within pencil pitch handling area.	PAHs, PCBs	Location T4S1S-10 moved into the former pencil pitch handling area. PCBs added to analysis because PCBs detected in Phase I surface soil sample from MW-16.	T4S1SB-81	—	1	—	1	—	—
									T4S1MW-16	(1)	—	—	—	(1)	(1)
									T4S1S-8	(1)	—	—	—	—	—
									T4S1S-9	(1)	—	—	—	—	—
									T4S1S-10	(1)	—	—	—	—	—

Please refer to notes at end of table.

Table 1 - Proposed Changes and Rationale for AOC RI Activities and Analytical Methods
Terminal 4 Slip 1 Upland Facility
Portland, Oregon

AOC Number	AOC Name	Operable Unit	Subarea	Accuracy of Location ⁶	Description	Summary of RI Activities	Analytical Methods ¹	Proposed Changes and Rationale ⁷	Exploration or Sample Designations	Sampling Activities ^{2,4,5}					
										Surface Soil	Subsurface Soil	Groundwater	Phase I	Phase II	Phase II
74	Utility Storage Building	OU2	Southeast of Gearlocker	Exact	Port personnel report formerly housed some hazardous substances. Historical map notes utility storage occurred.	Drill two borings adjacent to utility storage building.	TPH-Gx, TPH-Dx, VOCs, SVOCs	Groundwater analysis added; groundwater will provide better mechanism to determine whether release occurred in area; see Note 9.	T4S1SB-82	-	1	-	-	-	1
									T4S1SB-83	-	1	-	-	-	1
75	Former Car Cleaning Pit and Drain	OU2	North of IRM Offices	General	Rail car and truck cleaning areas identified on maps. Likely removed between 1992 and 1995. Area now level and covered with gravel surface.	Drill one boring and two monitoring wells downgradient of and three borings adjacent to car cleaning pit and drain.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	Removed surface soil sampling and added groundwater analysis. AOC is a subsurface feature so surface soil sampling not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1MW-09	-	-	-	-	(1)	(1)
									T4S1MW-10	-	-	-	-	(1)	(1)
									T4S1SB-05	-	-	-	-	(1)	-
									T4S1SB-04	-	0	-	1	-	1
									T4S1SB-05	-	0	-	1	-	1
									T4S1SB-06	-	0	-	1	-	1
76	Cargill Former Machinery Shop	OU1	Former Cargill Leasehold	Approx.	No record of practices associated with these buildings.	Drill two borings within footprint of former machinery shop.	TPH-Gx, TPH-Dx, VOCs, PAHs, PCBs	Removed surface soil sampling and added groundwater analysis. AOC is a subsurface feature so surface soil sampling not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1SB-07	-	0	-	-	-	1
									T4S1SB-08	-	0	-	-	-	1
77	Cold Storage Plant UST	OU1	Former Cargill Leasehold	Approx.	Historic Port drawing shows 2,500 gallon oil UST adjacent to former cold storage plant. UST was removed.	Drill two borings adjacent to former UST.	HCID, VOCs, PAHs	HCID to identify presence of TPH; see Note 9 for rationale. AOC is a subsurface feature, so surface soil analysis not proposed and subsurface soil and groundwater analyses will be used to assess whether AOC impact.	T4S1SB-91	-	0	-	1	-	1
									T4S1SB-92	-	0	-	1	-	1
--	Upgradient Groundwater Quality	OU1/OU2	-	-	-	Install six monitoring wells along property boundary; evaluate quality of groundwater flowing onto site.	TPH-Gx, TPH-Dx, VOCs, PAHs, Metals	No change.	T4S1MW-19 through T4S1MW-24	-	-	-	-	-	6
-	General Groundwater Quality and Hydrogeologic Evaluation	OU1/OU2	-	-	-	Install other monitoring wells at non-AOC-specific locations to evaluate hydrogeology and groundwater quality.	TPH-Gx, TPH-Dx, VOCs, PAHs	No change.	T4S1MW-02s, T4S1MW-04s, T4S1MW-14, T4S1MW-18	-	-	-	-	4	4

- Notes:
- Analytical methods:
TPH-Gx = Gasoline Range Organics by Method NWTPH-Gx.
TPH-Dx = Diesel and Heavy Oil Range Organics by Method NWTPH-Dx.
VOCs = Volatile Organic Compounds by EPA Method 8260B.
PAHs = Polynuclear Aromatic Hydrocarbons by EPA Method 8270C-SIM.
Metals = EPA Method 6020/7470A/7471A (total and dissolved).
Polychlorinated Biphenyls by EPA Method 8062.
SVOCs = Semivolatile Organic Compounds by EPA Method 8270C.
OCP = Organochlorine Pesticides by EPA Method 8081A.
OPP = Organophosphorus Pesticides by EPA Method 8141A.
 - An "X" indicates that sampling may occur, but the number of samples has not been determined at this time. A "0" indicates a change from the draft RI Work Plan and this sample is not proposed for analysis.
 - Values in parenthesis identify samples that are previously accounted for at other AOCs; this allows for total count of samples to be taken from table (e.g., samples in parenthesis will not be double-counted).
 - = Not applicable.
 - = Not in scope.
 - RI Work Plan Table 1 and SAP Table 2 are combined in this table. Changes to these tables are indicated by strike-outs (deletions) and are discussed in the change column. Two columns are added: Accuracy of Location and Proposed Changes/Rationale for Change. The latter details the changes in exploration and analytical program. The former uses four relative terms, explained as follows:
Exact = The AOC is visible and/or locatable in the field.
Known = Documentation is available that describes or shows the AOC location or may include measurements.
Approx. = AOC location can be approximated to a relatively small area based on documentation.
General = AOC is general in nature (i.e., widespread area) or AOC location can only be generally located.
 - Figure 1 illustrates the proposed locations of the borings; most borings are in the same location as proposed in the draft RI Work Plan, except where noted in the "Proposed Change" column of this table.
 - If HCID analysis indicates the presence of TPH, quantification by TPH-Gx and/or TPH-Dx will be conducted in the indicated carbon range.
This is proposed because fuel types for many of the former USTs indicate diesel or fuel oil, but documentation that no other fuel was stored is not available.
 - Where soil sampling was proposed in the draft RI Work Plan as the basis for identifying impacts from the AOCs, groundwater is proposed in revised RI Work Plan as a more accurate method of identifying impact. This is because soil will only be able to assess one small area and impacts could easily be missed. Groundwater will identify whether impacts have occurred and, if needed, further soil sampling can be conducted in Phase III to evaluate lateral and vertical extent. The AOCs being evaluated using this method involved handling of liquids, which given the time of usage (either for more than 30 years or more than 30 years ago), any impact of potential concern would have sufficient time to impact groundwater.

T-4 0123.PDF



PORT OF PORTLAND

December 31, 2003

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Cargill Incorporated
15407 McGinty Road West
Wayzata, MN 55391

Mr. Dennis Klein
Cargill Incorporated
15407 McGinty Road West
Wayzata, MN 55391

BY EMAIL, FAX AND REGISTERED MAIL, POSTAGE PREPAID

RE: Notice Regarding Certain Environmental Issues Under Cargill Incorporated Lease with the Port of Portland dated July 1, 1975, as Amended ("Lease")

Dear Ms. Thorstad and Mr. Klein:

This letter acknowledges receipt of Ms. Thorstad's letter of December 29, 2003, and follows up on several outstanding environmental issues under the Lease.

As you know, the Port is working towards submitting a Remedial Investigation Proposal ("RIP") to DEQ on January 19, 2003 that includes investigation of the Cargill leasehold area. Cargill is working on the Port's documentation and information request and further response to the Port's December 17, 2003 letter addressing deficiencies in the Cargill exit audit under Lease Section 12.14 ("Cargill's Response"). Because of the importance of Cargill's cooperation and participation on these matters, we request that Cargill meet with the Port at our office in Portland, Oregon, at a mutually convenient time on January 8, January 9, or January 12, 2003, so that we can discuss the environmental issues in anticipation of submitting our RIP to DEQ. Please let us know on which date Cargill prefers to meet, as well as when we can expect to receive Cargill's Response. In any event, we request Cargill's Response by no later than January 8, 2003.

Cargill's position as stated in Ms. Thorstad's letter in relation to the exit audit under Lease Section 12.14 fails to address the Port's concerns. In an abundance of caution and



for the reasons stated in Eric Schwamberger's letter of December 17, 2003, attached, this letter is both notice under Lease Section 10.1 that the Port believes the Cargill exit audit delivered December 4, 2003, fails to comply with Lease Section 12.14 and a request that such failure be remedied.

In addition, Cargill's position in relation to the soil remediation near the C-11 Hydraulic Room is in conflict with the Port's previous understanding that we would receive some form of report summarizing the remediation work that was performed. Again, in an abundance of caution and based on the additional information that visually observed stained soils that have been confirmed to contain actionable levels of PAHs and Total Petroleum Hydrocarbons were left unexcavated, this letter is both notice under Lease Section 10.1 that the Port believes the remediation fails to comply with Lease Sections 8.4 and 12.14 and a request that such failure be remedied.

This is also a request for indemnity under Lease Section 6.4 in respect of these matters, supplementing our prior requests.

We look forward to the prompt resolution of these matters consistent with the Port's obligations to DEQ.

Sincerely,



David Ashton
Port of Portland

Attachment

cc: Gene Loffler, CLD Pacific Grain, LLC
Sam Ruda, Port of Portland
Bob Moulton, Port of Portland (w/o attachment)
Juli Killgore, Port of Portland (w/o attachment)
Kristi Maitland, Port of Portland (w/o attachment)
Anne Summers, Port of Portland (w/o attachment)

T-4 0125.PDF



June 10, 2003

Arnie Schaufler
CLD Pacific Grain LLC
222 Columbia, Suite 1133
Portland, OR 97201

RE: Termination of Cargill/CLD Pacific Grain Sublease for T-4 Facility

Dear Arnie:

As we have discussed and agreed, Cargill and CLD Pacific Grain have determined that the continued operation of the T-4 facility in Portland is uneconomical, and that it is in the best interests of both Cargill and CLD Pacific Grain to cease operations there.

As you know, Cargill leases the T-4 facility from the Port of Portland, and CLD Pacific Grain subleases T-4, along with other Cargill owned or leased facilities, under a lease Agreement dated December 3, 2001 (the "Cargill/CLD Lease".) Cargill has already provided the Port of Portland with a written termination notice in order to terminate the Lease and Agreement between Cargill and the Port of Portland relating to the T-4 effective June 20, 2003.

This will confirm that Cargill and CLD Pacific Grain have likewise agreed to a partial termination of the Cargill/CLD Lease with respect to the T-4 in order to remove this facility from coverage under the Cargill/CLD Lease. This partial termination will also be effective as of June 20, 2003. All other terms and conditions of the Cargill/CLD Lease shall remain in full force and effect.

Please confirm your agreement to the contents of this letter by signing below.

Sincerely,

Andy Augustine
BU Controller

Agreed and Accepted:

Arnie Schaufler
General Manager
CLD Pacific Grain LLC

T-4 0129.PDF



December 29, 2003

VIA EMAIL

David Ashton
Port of Portland
121 NW Everett
Portland, OR 97208

RE: Cargill Response to December 24, 2003 Letter from the Port of Portland

Dear Mr. Ashton:

Your follow-up letter of December 24, 2003 to the meeting on December 22, 2003 between Cargill and the Port of Portland raised two issue that you requested Cargill provide a response.

First, although Cargill appreciates the Port's invitation to participate in the Remedial Investigation Proposal ("RIP"), we believe that a meeting tomorrow is unnecessary. As Cargill made clear in the December 22, 2003 letter from Mark Quayle to Sam Ruda, Cargill considers the obligations that the Port entered into with DEQ in the Voluntary Agreement for Remedial Investigation, Source Control Measures, and Feasibility Study to be voluntary by the Port and not binding on Cargill. Therefore a meeting on December 30, 2003 on this topic is of limited value. Cargill would suggest a meeting following Cargill's submission of additional documentation and a more detailed response to the December 17, 2003 letter from the Port. As discussed during the December 22, 2003 meeting, Cargill is willing to provide what documentation and information is available to assist the Port in meeting their obligations to DEQ.

And second, to assist the Port towards meeting its obligations. Cargill will review its records and provide the Port with the information requested in your December 24, 2003 letter to the extent that Cargill has the records available. Cargill will strive to provide this information prior to the Port's pre-submission scoping meeting with DEQ on January 13, 2004.

Beyond those two points, your letter indicated that you were looking forward to Cargill's response to the Port's December 17, 2003 letter and that you hoped Cargill will specifically address the Recognized Environmental Conditions. Cargill wishes to remind you that it initially responded to the Recognized Environmental Conditions in a letter dated December 22, 2003 to Mr. Ruda and that this letter was discussed with the Port during the December 22, 2003 meeting.

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December 24, 2003

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Mr. Dennis Klein
15407 McGinty Road West
Wayzata, MN 55391

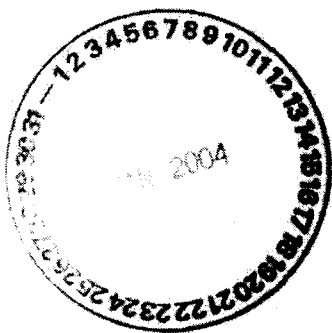
BY REGISTERED MAIL, POSTAGE PREPAID, EMAIL AND FAX

RE: Environmental Compliance Issues Under Cargill Incorporated Lease with the Port of Portland dated July 1, 1975, as Amended ("Lease")

Dear Ms. Thorstad and Mr. Klein:

This acknowledges receipt of your letter dated December 22, 2003 to Sam Ruda, addressing Cargill's initial response to the Port's December 17, 2003 letter on the Recognized Environmental Conditions that the Port believes must be reflected in Cargill's exit audit under Lease Section 12.14. Thank you for meeting by telephone with us on Monday December 22, 2003. This letter follows up on several of the pending items, including: (i) the opportunity for Cargill to participate in the scoping of the Port's approach to the remedial investigation of Operable Unit 1 of the upland facility (including the Cargill leasehold - here the "Cargill Operable Unit") that is subject to the VCP Agreement between the Port and Oregon DEQ; (ii) and your offer to provide us additional information regarding Cargill's historical activities at the leasehold, if such is available.

First though, the Port looks forward to Cargill's more detailed response to the Port's December 17 letter. We hope that you will specifically address the Port's opinion on the Recognized Environmental Conditions that must be investigated and remediated under the Lease. We also look forward to receiving Cargill's report of the ongoing soil remediation project at the recent hydraulic oil spill area. Pending Cargill's more detailed response, the Port continues to believe that the December 4 ATC audit is not "acceptable to the Port" per Lease Section 12.14. We will address this matter as soon as we get Cargill's further response.



The Port is planning on submitting a Remedial Investigation Proposal ("RIP") to DEQ by January 19, 2004 for the Terminal 4 Slip 1 Upland Facility. The RIP will include the Port's contemplated approach to remedial investigation of the environmental conditions at the Cargill Operable Unit that are of concern to DEQ and of which Cargill is well aware. It will also include a summary of information collected to date, a conceptual site model (including hydrogeologic model), a description of remedial investigation goals and objectives, and an estimated schedule for completion of the remedial investigation. To further assist the development of the RIP, the Port is submitting the December 4 ATC report and available information on the hydraulic oil soil remediation to DEQ. At a minimum, the ATC report supplements information collected to date and presented to DEQ in the earlier Preliminary Assessment work for the site, in which Cargill participated. We will seek DEQ's position on the extent to which such additional information resolves outstanding DEQ concerns.

The Port would like to meet with Cargill representatives (in person or by phone) on Tuesday December 30, 2003 at 9:00 a.m. (PST) to discuss the Port's preparation of the RIP, as it relates to the Cargill leasehold. If this date is not convenient, let us know and please feel free to propose an alternative date and time. The Port's pre-submission scoping meeting with DEQ is, however, scheduled for January 13, 2004. We also here extend the opportunity to Cargill to review and comment on draft remedial investigation documents, if you are interested. Please contact Kristi Maitland by telephone (503 944-7323) or by e-mail (maitlk@portptld.com) about the proposed meeting.

Regarding specific records that will assist the Port in both responding to DEQ's concerns regarding the Cargill Operable Unit and evaluating the extent to which that area has been or is a source of contamination to the river, we request the following:

1. records relating to the permitting status and maintenance of the Cargill leasehold's stormwater management systems and the installation of any modifications during Cargill's tenure (to the extent Cargill does not hold records reflecting the permitting status of these systems, this letter is notice of a failure of compliance with Lease Section 8.4 and a request for corrective action);
2. records relating to the location, installation, operation and closure of the ASTs and USTs at the leasehold during Cargill's operations, including systems and configuration, contents, size, fueling equipment and practices, and records of the excavations or removals;
3. records relating to locomotive and other equipment fueling at the leasehold;
4. records relating to Cargill's operational activities in the areas of two dry wells located on the property;
5. records relating to testing the water at the time of water well closure in 1992 and any notice under the Lease to the Port of contamination;

6. records relating to operational activities involving the handling of hazardous substances at the former Blacksmith and Machinery shops;
7. records regarding the location of equipment on-site that used to contain PCBs prior to Cargill's removal of PCB containing materials from the leasehold;
8. records relating to the location and conduct of Cargill's pesticide and fungicide mixing and application areas;
9. contact information records relating to former and current employees who can assist in recreating this environmental information.

Any information you can provide promptly would be most appreciated. As I mentioned yesterday, unless unresolved DEQ concerns can be effectively answered with records or alternative information, it is likely that DEQ will require the Port to undertake substantial subsurface sampling in the vicinity of the leasehold.

We look forward to hearing from you promptly.

Sincerely,



David Ashton
Port of Portland

cc: Gene Loffler
Bob Moulton, Port of Portland
Juli Killgore, Port of Portland
Kristi Maitland, Port of Portland
Anne Summers, Port of Portland

T-4 0131.PDF



December 19, 2003

Mark T. Quayle

Senior Attorney

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December 19, 2003

Mr. Bill Wyatt
Port of Portland
121 NW Everett
Portland, OR 97209

RE: Termination of Lease dated July 1, 1975 as Amended ("Lease")

Dear Mr. Wyatt:

Thank you to you and your staff for the time, effort and work that you have put into the termination of the Cargill Lease at the Terminal 4 Grain Facility. In particular, thanks to Bob Moulton and Juli Killgore for meeting with our team earlier this week.

This letter is meant to specifically respond to the proposed Terms and Conditions for Lease Termination contained in your letter dated December 16, 2003. These terms lay out a plan to arrange for Cargill's surrender of the facility back to the Port.

For purposes of convenience, I have attached a marked-up response to this letter attached hereto. We will be willing to execute this document with the changes shown. As you can see, we agree with the majority of the terms in your draft, with one significant exception: the proposed execution of an "Environmental Cleanup Agreement".

Cargill does not believe that the additional steps of drafting, negotiation or execution of a separate Environmental Cleanup Agreement are either necessary or required under the terms of the Lease. Section 12.14 of the Lease clearly lay out Cargill's requirements, which include: a) conducting an environmental audit, and b) the prompt remediation of "any contamination revealed by the audit, if each contamination was caused through an act of Cargill or an omission of Cargill when Cargill had a duty to act, in accordance with the then applicable regulations prior to the expiration of the Lease Term." The section then goes on to say that "[t]he Port, if necessary, will grant Cargill a Permit of Entry for such purpose."

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Mr. Bill Wyatt
December 19, 2003
Page 2

These terms show that the parties specifically contemplated that any remediation at the time of termination was: a) limited to the contamination revealed by the environmental audit; and b) if not able to completed prior to the termination date, was to take place after such date.

The execution of a separate Environmental Cleanup Agreement is not a requirement under the lease and is not necessary to give the Port adequate protection because the Port has the protection of the agreed-upon Lease terms for future issues:

1. The contractual requirement of Section 12.14 to promptly remedy Cargill contamination revealed by the audit. (See attached letter specifically addressing this issue), and
2. Section 6.4 of the Lease, which contains an indemnity from Cargill that, among other concerns, specifically addresses environmental liabilities.

The process for the Lease termination has stretched to eight months, and we feel that it must now come to a close. We understand that the Port still has questions and issues surrounding the environmental issues – including how to best address concerns communicated to you by the DEQ. However, we believe that the resolution of any of these issues should be handled by the terms of the Lease's indemnity clauses, not as new or additional conditions precedent to the termination of the lease.

The conditions precedent that we do agree to are as follows:

1. Payment of up to \$100,000 upon receipt of the Port's estimate for electrical repairs ("Remaining Settlement"). We have been told that this number should be available this week.
2. Payment of rent for the months of November and December.
3. We will agree to a joint inspection the Premises, provided that this take place prior to December 31, 2003.
4. Cargill represents that it has paid all taxes currently due and owing in connection with Cargill's use and occupancy of the Premises, including property taxes for the 2003 - 2004 tax year.
5. Cargill represents that it has not assigned or encumbered Cargill's leasehold interest or have outstanding obligations or contracts related to the facility.

Of course, we also commit to address the contamination revealed by the audit (see attached letter specifically addressing this issue) and honor those obligation and indemnifications that survive termination according to the Lease or by law. By this letter, we ask for a Permit of Entry to finish these tasks.

Mr. Bill Wyatt
December 19, 2003
Page 3

In any event, we intend to surrender the Premises to the Port on or before December 31, 2003. At such time, we shall no longer assume responsibility for insurance coverage or security at the Premises.

I again thank you for all of your efforts in this matter. I am hopeful that we can reach resolution on the outstanding issues that are required under the Lease.

Very truly yours,

Mark T. Quayle
Senior Attorney

MTQ
328357

cc: Bob Moulton
Juli Killgore
Arnie Shaufler
Gene Loffler
Dennis Klein
Don Vogt
Andy Augustine
Kim Thorstad

T-4 0132.PDF



December 17, 2003

Mr. Dennis Klein
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Mr. Gene Loffler
Operations Manager
CLD Pacific Grain LLC
222 SW Columbia Street, Suite 1133
Portland, OR 97201

BY COURIER/OVERNIGHT MAIL, FACSIMILE AND EMAIL

**RE: Environmental Contamination Issues to be Addressed Under Lease Section
12.14 at Cargill Leasehold at the PORT of PORTLAND Terminal 4**

Gentlemen:

The Port of Portland (Port) has received the Environmental Site Assessment (ESA) prepared by ATC Associates for Cargill under Section 12.14 of Cargill's lease for the facilities at Terminal 4. This letter responds to the information presented in Cargill's ESA and defines the steps that should next be taken.

The purpose of Cargill's ESA is to identify the Recognized Environmental Conditions – as that term is defined in ASTM standard E1527 – associated with Cargill's operations at its leasehold that require further evaluation or investigation by Cargill. Although the ESA provides a better understanding of some environmental issues within the Cargill leasehold, the ESA report has not demonstrated a level or scope of inquiry that is appropriate enough to resolve the remaining environmental issues associated with the

Cargill Incorporated
December 17, 2003

Cargill leasehold. This letter identifies the areas of inadequacy and defines the appropriate next steps. The Port must make clear, however, that the list of environmental issues identified to this point is likely to expand as more is learned about the facility, and as **Oregon Department of Environmental Quality (DEQ) and the United States Environmental Protection Agency (EPA)** pursue further remedial investigation.

Following is a listing of general and specific issues associated with the ESA which the Port believes should be addressed by Cargill. The Port requests that Cargill address these issues, and any others which might become evident, by providing the Port with more in

Memorandum of Understanding for Portland Harbor Superfund Site designates DEQ the lead on upland sites in the Portland Harbor Superfund Site. Under that authority DEQ has required that the T4 Cargill leasehold be investigated, as part of an area identified as Operable Unit 1, for contamination, source control and contamination remedy selection. §I.A., DEQ Voluntary Cleanup Program Agreement, LQVC-NWR-03-18, (December 4, 2003). This specific Superfund context confirms that environmental conditions at the Cargill leasehold area present a material risk of harm to public health or the environment and are the subject of an enforcement action by governmental agencies, thereby arising to the status of Recognized Environmental Conditions. Consequently, the Port requests that these considerations be taken into account in evaluating when environmental concerns at the leasehold are Recognized Environmental Conditions.

2. Absence of critical information or documents

The ESA provides little factual information regarding environmental compliance and the environmental aspects and impacts of Cargill operations involving hazardous substances at the facility, beyond what the Port had in its archives. The absence of this information is not explained. For example, Cargill provides no records regarding its fuel storage and handling operations, including no records regarding the closure over time of various USTs and ASTs. Neither does Cargill provide any information regarding its stormwater management system, its permitting or compliance, despite the relevance of historical and current stormwater management practices to contamination located in the Removal Action Area. Lack of explanatory information regarding onsite activities and operations likely to have resulted over time in contamination will result in DEQ likely seeking subsurface investigation of the relevant area of hazardous substance handling. The absence of documents, records or other reliable information that would convincingly eliminate a cited "environmental condition" almost inevitably raises that matter to the level of a Recognized Environmental Condition. For example, the absence of any historical PCB-inventory documents is not sufficient reason to cease inquiry into the use of PCBs at the Cargill leasehold. Consequently, the Port requests thorough Cargill Participation in the form of additional document research and interviews, to enable discussion and evaluation of relevant onsite activities and conditions with environmental impacts.

3. Further evaluation of previously disclosed conditions

A number of environmental conditions were previously identified and called to Cargill's attention prior to the audit. These include the findings of staining of soil and concrete in several areas, oil at the bottom of the sump under the car tipper, and discolored liquid within a storm drain. Although the assessment again calls out these conditions, there was no attempt to further investigate, characterize, or address any of the known conditions prior to the audit. Since DEQ will require further evaluation of the potential environmental impact of these conditions, Cargill must address how it will provide

Cargill Participation with respect to such further evaluation, consistent with DEQ's requirements for a remedial investigation of the leasehold as part of Operable Unit 1.

Cargill/Consult **4. Environmental concerns that are Recognized Environmental Conditions**

The ESA lists 19 environmental concerns stemming from activities on the leasehold and calls out five of these as Recognized Environmental Conditions. These include:

- Potential historical releases from a sump within a mechanical pit beneath the car tipper.
- Dark surficial staining between and along the railroad tracks between Berth 401 and the Track Shed
- Surface staining on the ground around two hydraulic pumps adjacent to the rail tracks west of the Rail Tipper shed.
- No removal documentation or test results for removal of a UST southwest of the headhouse.
- Confirmed presence of floating oil on groundwater at 27 feet below land surface from an unknown source within a water well north of the northeast corner of the Elevator Operating House.

Remove area of loco only
Remove stained soil
water sample
release into asphalt clean sump
The Port requests Cargill Participation to address these Recognized Environmental Conditions listed in the ESA.

5. Inadequate responses to the Port's previously stated concerns

The Port has repeatedly expressed concerns about certain site conditions and requested information from Cargill on known site conditions from Cargill. The report does not address many of the Port's previously stated concerns.

The Port requests that Cargill review previous correspondence between the Port, Cargill, and the DEQ and use this audit to more completely address those concerns. This is particularly important because DEQ has (or will have) similar concerns. The Port's previous correspondence includes letters dated June 20, 2003 and September 19, 2003. As stated in that correspondence, DEQ's concerns include but are not limited to: historical fueling activities in the vicinity of Buildings 152 and 160, historical releases associated with area aboveground and underground storage tanks storing diesel, waste oil and other fuels, residual contamination after the closure of these facilities, and releases associated with the upland stormwater systems discharging to the river.

SPECIFIC ENVIRONMENTAL CONTAMINATION RELATED ISSUES

1. Removal of soil contaminated by hydraulic fluid

The ESA states that excavation of soil contaminated by hydraulic fluid at location C-10 was completed in November 2003, and that a report would be available in early December. No report has yet been received by the Port. Conclusion of this contamination matter needs to be resolved by Cargill in the context of the remedial investigation required of the leasehold area by DEQ.

2. Underground Storage Tanks (USTs)

DEQ Docs.

USTs were formerly used at the leasehold. The ESA identifies several USTs on the property, but Port information indicates two to three additional USTs may have formerly existed on the Cargill Leasehold. The exact number and location of each of these former tanks remains in question. The location, ownership and/or operator responsibility, and contents of the historical USTs needs to be verified. Within the ESA there is no evidence of Cargill documentation of the USTs or of any confirmatory sampling being performed for any of the past UST closures operations. In each case, when appropriate UST records, decommissioning documentation and soil test data cannot be located, Cargill must address what must be done to establish the history of fuel handling on the leasehold and to evaluate the subsurface conditions in these areas, including interviews with pertinent staff and a sampling program to assess the soil and groundwater impacts from past tank usage. This is especially so at the locations two potential historical tank locations in the area of known groundwater contamination around the historical water well.

3. Pesticides and Rodenticides

Current pesticide use is stated to be limited to weed control and rodent control using poisoned bait. Up until 1997, some grain shipments were treated with malathion prior to loading. The malathion was mixed in a pesticide mix room beneath the grain conveyor near the grain elevator. An unusual odor was noted to emanate from the former malathion area. The report also states that use of pesticides in the grain storage areas included, but may not be limited to Phostoxin and Weevilcide. Earlier versions of Weevilcide used by Cargill contained carbon tetrachloride and carbon disulphide. The Phostoxin was likely applied as a solid in the grain silos and the Weevilcide was applied as a liquid.

The Port requests Cargill Participation in performing a remedial investigation of the areas where Phostoxin, Malathion, and rodent traps were used and stored, which investigation shall include thorough inspection, cleaning, and sampling to assure that residual pesticides and rodenticides, and traps, are removed from the leasehold.

4. Hydraulic equipment

map showing lots.

The ESA generally identifies the locations of historical and existing hydraulic equipment in the Facility. However, the specific location of historical and existing hydraulic equipment was not listed in the report, nor were observations from inspections of these locations for the potential presence of oil staining. Evidence of oil staining is prevalent around many of these areas, including the South Rail Pit. The ATC ESA reports that a previous oil spill occurred when a hose broke within the area of the truck dump. It is unclear if this material was within a contained area or not.

The Port requests that Cargill address this issue by providing documents or other information that describe the location and condition of the historical equipment and oil storage areas, and the location and condition of the existing equipment and oil storage areas in the leasehold. Where evidence or suspicions of historical releases of hydraulic oil are identified, sampling of the concrete, soil, or other media should be carried out. The Port requests Cargill Participation in the investigation and resolution of this issue as part of the remedial investigation of the leasehold being required by DEQ.

Two hydraulic motors located near the track shed contain significant amounts of petroleum contamination. The Port requests Cargill Participation in sampling for petroleum contamination and PCBs within the underlying soils, as there is reasonable suspicion leaks or spills of these materials may have occurred during Cargill's long occupancy and extensive historical operations. These issues will have to be addressed consistent with the remedial investigation of the leasehold being required by DEQ.

5. Polychlorinated Biphenyl (PCB) containing materials

*map showing locs.
M.B.*

The historical location of PCB-containing electrical transformers at the leasehold is generally addressed in the ESA. Cargill also stated that PCB-containing transformers were removed from the leasehold many years ago in compliance with a company-wide management strategy. However, documents such as PCB inventories, PCB document logs, transformer retrofill projects, purchasing specifications for electrical equipment, or PCB spill cleanup reports were not cited in the ESA. No evidence of confirmatory sampling of soils in these removal areas is identified. Records indicate a former transformer building was demolished, CLD files reportedly indicate that PCB containing transformers were replaced on-site in 1988, and several shipping manifests indicate the removal of PCB materials off-site.

The Port requests Cargill Participation by Cargill's providing to the Port all available documents or other information relating to PCB use and cleanup at the leasehold. If this information does not exist, a PCB survey should be carried out, as well as investigative/confirmatory sampling in areas where PCBs were used or stored. These issues should be addressed as part of the remedial investigation of the leasehold being required by DEQ.

6. Sumps

*map
to look*

Basements in the various structures at the leasehold contain sumps to collect water and other liquids that enter these spaces. Pumps are utilized to remove the liquid in the sumps. The ESA indicates that the fluids are discharged to the sanitary system. During a June 2003 walkthrough, it was noted that the South Unloading Pit sump contained water that was discolored and odorous. The source and discharge point of the liquid is unknown. Other sumps were noted during the walkthrough, although apparently not all sumps at the leasehold were observed or inspected. Some sumps located onsite represent a potential pathway for contaminants to be released to the surrounding environment, including soil and groundwater.

The Port requests Cargill Participation in identifying the location and discharge points for each of the sumps on the leasehold, and inspecting the sumps to obtain information regarding their potential to be pathways for contaminants to be released to groundwater or subsurface soils. Sampling should be considered to evaluate the potential impacts to the environment from the sumps, as part of the DEQ required remedial investigation.

7. Hazardous material/Petroleum storage areas

*map
to look*

Locations of hazardous material storage areas should be confirmed. The Maintenance Shop, and other known discrete locations where hazardous materials and petroleum were historically stored and dispensed, should be more thoroughly investigated for potential contamination of soil and groundwater from historic releases (especially in areas that were once not paved). The ESA should address the legal compliance of ASTs and USTs, including whether a Spill Prevention, Control and Countermeasures Plan was ever created for these operations (potentially including a log or description of historical petroleum spills at the leasehold that could be used to assess potential sources and locations of contamination).

The Port requests Cargill Participation in evaluating whether soil, groundwater and other samples are appropriate in the areas of current or former hazardous materials storage areas, as part of the remedial investigation of the leasehold being required by DEQ.

The ESA makes reference to a former "bull pen", a site where hazardous waste was generated. The location of the "bull pen," remains unknown. Therefore, it is difficult to focus an inspection on this area. A reported 250 pounds of TCE, 1200 pounds of primer, and 400 pounds of paint, stored in various sized cans and drums, were removed from the area. No information is reported as to the condition of the containers or the surrounding soils. In addition, only one set of manifests was provided in the ATC report, and no information is provided regarding routine hazardous waste management practices conducted by Cargill.

The Port requests Cargill Participation in conducting further research to ascertain the precise location of the "bull pen" and in performing any investigations into these storage areas as part of the remedial investigation of the leasehold being required by DEQ.

ATC give us cost

8. Above Ground Storage Tanks (ASTs): Even though the ESA does not consider the presence of ASTs to be RECs based upon the absence of documented and reported releases and the absence of visual evidence of localized staining, it would be prudent to investigate the soils and groundwater in the vicinity of the ASTs to determine if they have been historic sources of contamination to soil and groundwater. Some ASTs were located in the actual area of known contamination at the water well and so area subsurface conditions must be evaluated. The former AST located approximately 300 ft west of the railcar shed was approximately a 500 gallon tank. Kitty litter along the ground near the concrete pad for this former tank indicates the possibility of at least one previous fuel spill.

The Port requests Cargill Participation in investigating the soils and groundwater in the vicinity of the ASTs to determine if they have been historical sources of contamination to soil and groundwater as part of the remedial investigation of the leasehold being required by DEQ.

Leave out

9. Rail track staining

Railroad tracks within the entire area appear to have a significant amount of soil staining. Rather than limit a rail track investigation to areas of observed surface staining (between Rail Track Shed and Berth 401), other rail track environmental investigations at T4 suggest that the entire track alignment could be contaminated from locomotive operations on the rail, and should be investigated for potential contamination from rail operations.

The Port requests Cargill Participation in evaluating this matter and in taking appropriate core samples along selected sections of trackage with evident staining as part of the remedial investigation of the leasehold being required by DEQ.

ATC

10. Underground Injection Control System (UIC)

An active stormwater discharge UIC dry well (S1) installed in 1999 and located near the Berth 401 Access Ramp, is reported by the Port in its "Marine Terminal Master Plan 2020, Vol. 1, Section 3 Baseline Environmental Conditions" (Aug. 2002). The ESA did not identify nor address this UIC. The regulatory status of this installation, the historical management of the UIC, and the current environmental condition of the soils and groundwater in the vicinity of the UIC should be addressed by the ESA.

The Port requests Cargill Participation in describing the current regulatory status and surrounding environmental conditions related to this UIC, as part of the remedial investigation of the leasehold being required by DEQ.

11. Stormwater system

ATC
The Port requests that the design, structure and function of the stormwater system serving the leasehold, including the UIC above, should be thoroughly described, including its permit status and any stormwater management planning and implementation conducted by Cargill. Based upon that description, the historical and current users (Cargill and others) of the system should be identified. If users other than Cargill contribute to the system, then their potential contaminants should be identified, and the potential for Cargill operations to have contributed to the contamination of the system and its receiving waters should be evaluated. Finally, a cleaning of the system to remove residual debris and contaminants, and a system integrity inspection should be accomplished. Cargill stormwater permits should be evaluated and compared to practices employed.

The Port requests Cargill Participation in investigating the leasehold's stormwater system as part of the remedial investigation of the leasehold being required by DEQ.

12. Water well with oil on groundwater

Cargill
ATC
Ph II
Logic
A 244-foot deep, 8-inch diameter water well was formerly located on the property, according to ATC personnel at the site inspection. The well located near the NE corner of the Elevator Operating House, when abandoned by Cargill in 1992, was discovered to have significant amount of oil floating on the groundwater. This material, 307 gallons, was apparently pumped out of the well prior to filling with concrete.

Since there is an absence of information about the source of the oil and any investigation or final remediation of the problem, the Port requests Cargill Participation in the investigation and cleanup of this area of the site, consistent with DEQ's required remedial investigation.

13. **Lead-based paint (LBP):** The location and condition of LBP in the Facility is not addressed in the ESA. Documents such as LBP surveys, abatement project summaries, or purchasing specifications for paint were not cited in the ESA.

Lead?
The Port requests Cargill Participation by Cargill's making available all documents that describe the location and condition of LBP in the Facility, if these documents exist. If this information does not exist, a LBP survey should be considered.

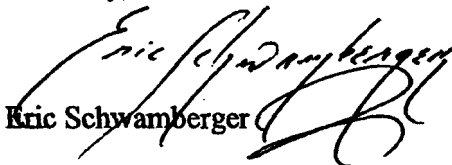
14. Other Environmental Concerns

Several items or past practices warrant further inquiry to evaluate whether they represent RECs requiring further evaluation or subsurface sampling. These include former locations of equipment maintenance activities should be assessed as to the potential for environmental concerns arising from past practices in these areas. To the extent that DEQ requires further evaluation or investigation of these matters, Cargill Participation is warranted.

The Port also would like to note a number of inaccuracies which exist within the ESA report. A listing and comments on these inaccuracies is contained within the attached Appendix to this letter.

The Port looks forward to working with Cargill on the resolution of the issues identified in this letter, as well as those issues which may yet arise through continuing efforts to address the environmental investigation and remediation of the leasehold and surrounding areas. Please contact me by phone (503 240-2014) or by e-mail (schwae@portptld.com) so that the Port and Cargill may further discuss how Cargill might best resolve these environmental contamination issues.

Sincerely,



Eric Schwamberger

Manager Environment and Safety
Marine Division, Port of Portland

cc: Bob Moulton
David Ashton
Juli Killgore
Anne Summers

Appendix to letter to Cargill from the Port of Portland dated December 17, 2003 (RE: Environmental Contamination Issues to be Addressed Under Lease Section 12.14 at Cargill Leasehold at the PORT of PORTLAND Terminal 4)

The Port also would like to note a number of inaccuracies which exist within the report. These are described as follows:

Section 1: Executive Summary

The apparent strategy of the Executive Summary was to call out concerns at adjacent properties. Some of the bullets have concerns noted, where others don't reflect any conclusions. No conclusions about the findings at the leasehold itself are represented until the end of the report. This is inconsistent.

Adjacent Properties – Schnitzer is mentioned, which gives the perception that ATC finds their property a potential concern, when later in the report, they are written off as a potential concern to the Cargill leasehold. This is inconsistent.

Regulatory Research - The UPRR tank farm is noted to include an "aboveground pipeline". The former pipeline (decommissioned in 1997) was an underground structure. The summary notes that the tank farm and pipeline were up-gradient relative to the leasehold, and that "there has been no reported release to the groundwater from this pipeline and soil contamination would not impact the Cargill site." This is an inaccurate discussion of the former St. Johns Tank Farm and pipeline. There have been documented releases associated with the former UPRR pipeline, a summary of which is provided in the May 29, 1998 DEQ Strategy Recommendation ECSI #272 that ATC references in their report. However, it should be noted that the former pipeline was located to the south of Slip 3, which is topographically cross-gradient relative to the Cargill leasehold.

Section 3: Site Description

Section 3.5, Current Use of the Property – "Terminal 4 is listed in the ECSI, CRL, UST, and VCS regulatory databases as well as being a part of the Portland Harbor Superfund site." Terminal 4 is considered to be an upland source control site (a potential source to contaminated sediments), adjacent to the Portland Harbor Superfund Site.

Section 3.5, Current Uses of Adjoining Properties – There is no mention of where UPRR, Transversal Ship, River Patrol, or Port of Portland are located relative to the leasehold.

Section 4: User Provided Information

Section 4.3, Specialized Knowledge – This section mentions a “historic hydraulic spill”. The cleanup should not be considered complete if the results of confirmatory sampling have not yet been received.

Section 4.7, Other User Provided Documents – The draft U.S. EPA AOC for RI/FS needs to be connected with Portland Harbor Sediments so that it is not confused with the AOC for the T4 Early Removal Action.

Section 5: Records Review

Section 5.0 does not list the month/year that the regulatory databases cited were last updated. The discussion of the findings should, but does not, note how current information from the DEQ website is. There is potential that some of the listings have received NFA status, which may not yet be reflected on DEQ’s website or in the EDR report.

Section 5.1, Standard Environmental Records – The table “Summary of Federal & State Agency Database Findings” indicates the property is not listed as an ECSI site. The Cargill leasehold is included within the T4 Slip 1 Upland Facility, ECSI #2356.

Section 5.1, Standard Environmental Records - The HSIS listing with the State Fire Marshal on Cargill indicated that an approximately 500-999 gallon diesel AST had been removed but did not indicate when, or from where the AST had been removed (or when it had been installed). ATC reported that it was not present during their walkthrough on October 27, 2003, but that they had determined it was of “double envelope” construction. It is unclear how ATC was able to state the construction if the AST was no longer present at the leasehold. It was also not stated whether the AST had secondary containment, or whether it was housed under cover.

Section 5.1.1, Federal Agency Database Findings, Portland Harbor – ATC notes in prior discussions that that Terminal 4 is within the Portland Harbor Superfund Site, but in 5.1.1, ATC states that it is adjacent. This should be corrected throughout the document. Terminal 4 is considered to be an upland source control site (a potential source to contaminated sediments), adjacent to the Portland Harbor Superfund Site.

Section 5.1.1, Federal Agency Database Findings, Portland Harbor – It was noted that Cargill/CLD Pacific is not included in the list of 69 Potentially Responsible Parties (PRPs) that is listed on the CAG website. The list of 69 to which the CAG refers is the list of EPA General Notice Letter recipients. The list of 69 should not be represented, either directly or indirectly, as a final list of PRPs, nor should the list be used as confirmation that Cargill, based on their absence from the list, is not a PRP with regard to the Portland Harbor site.

Section 5.1.1, Federal Agency Database Findings, Port of Portland Terminal 4 – DEQ's ECSI database is a state database, not a federal database. Differentiation between the ECSI numbers for T4 facilities should be made (T4S1=2356, T4ASA=172, T4S3=272).

Section 5.1.1, Federal Agency Database Findings, Port of Portland Terminal 4 – The discussion of T4's inclusion in the EDR report as a RCRA LQG references a rail track soil removal, lead paint chip removal, and drum removals (includes a note that 2,451 lbs of water contaminated with PCE was removed from T4 in 1993). There is no mention of the location of such activities. It is unclear whether ATC attempted to confirm these locations, and whether or not these items had potential to impact the Cargill leasehold. In the Regulatory Data Summary, ATC notes that "These listings suggest that other facilities at Terminal 4 contributed to soil and possible groundwater contamination that could impact the property". This determination should not be made without confirming the location of these activities. It is possible that some of these were on the Cargill leasehold.

Section 5.1.1, Federal Agency Database Findings, Terminal Flour Mills – "Based on the reported presence of the USTs and no documentation of removal or soil test results, the potential for release to the environment from the former USTs represent an environmental concern to the site." Locations of these USTs should be included on the map, along with locations of Cargill's USTs.

Section 5.1.1, Federal Agency Database Findings, Toyota Logistics Services – ATC notes this site as a concern based on their review of DEQ's file, however, ATC should note that the only portion of this site that is up-gradient to the Cargill leasehold (the upper lot) has an NFA pending for the LUST incident.

Section 5.1.2, State Agency Database Findings, Transversal Ship – ATC notes that LUST #26-91-0133 is attributed to Toyota Logistics Services and that this is a concern. See above notes regarding the NFA.

Section 5.1.2, State Agency Database Findings, Klix Corp. – ATC notes that DEQ issued an NFA in December 1995, but that DEQ "believes asphalt covered soil and groundwater may still be contaminated". According to the DEQ ECSI database summary online, "DEQ staff determined on 6/11/96 that no further action was required for the site under an industrial cleanup scenario. The NFA is contingent upon use of the site remaining industrial." With the NFA status conferred, it is unclear why this site would remain a concern.

Section 5.3, Historical Use Information – The Historical Use Summary table notes that between 1940 and 1960, the property (the leasehold?) was used for shipbuilding. This is inaccurate. The facility north of Terminal 4 was occupied by Oregon Shipbuilding Corp. and was used for shipbuilding, but the area of Terminal 4 containing the Cargill leasehold was never used for such purposes.

Section 5.3, Historical Use Information, Fire Insurance Maps – The quality of the Sanborn maps provided in the appendix is poor. Significant features such as USTs are difficult to discern. ATC should note whether the maps depicted USTs/ASTs or hazardous material storage. ATC should review these maps in larger scale, and should confirm the absence or presence of USTs/ASTs or hazardous material storage.

Section 5.3.5, Historical USGS Topographic Quadrangles – ATC notes that these are not available for the site area. This is inaccurate. Historical USGS Topographic Quadrangles are available at the Oregon Historical Society, and the Port has them on file as well.

Section 5.3.6, City Directories – The summary of ATC's city directory review notes that "In light of the fact that several of these companies have been named Potentially Responsible Parties to the Portland Harbor Superfund site, and that many of them are subjects of ECSI files, it is likely that the industrial facilities in these listings represent an environmental concern to the Cargill leasehold." It is not clear which of the facilities in the city directories represents a concern to ATC. The report also does not note which facilities are up-gradient. This is inconsistent with prior discussions.

Section 5.3.7, Building Department Records – The summary lists building department records that are considered RECs at the property and/or surrounding area – included are references to a steam cleaning pad, incinerator, and AST for dust control chemicals. None of these items are identified in the conclusions as RECs. The report then notes that Cargill "wrecked and removed a transformer building" in 1977, but did not note this as an environmental concern based solely on a statement that "Cargill eliminated PCB-containing transformers from the facility decades ago".

Section 6: Site Reconnaissance

Section 6.2, Hazardous Substance Use/Storage – ATC lists observations during the site walk such as soil staining around hydraulic motors, oil in a sump present in a mechanical pit, and standing liquid in a storm drain, but doesn't provide any opinion as to whether these represent a concern to the leasehold.

Section 6.3, Storage Tanks – The discussion on the UST(s) located at the Cargill leasehold makes little or no attempt to verify the accuracy of the tank inventory report, the DEQ files, and information provided by Cargill. The report notes that the ECSI file was reviewed, but no reference is made on examination of DEQ's tank files.

Section 6.4, Other Petroleum Products – The function and location of the "oil shack" should be clarified, and its relationship to the former Transformer House.

Section 6.5, Polychlorinated Biphenyls – ATC notes that Cargill razed the Transformer House and removed PCB-containing capacitors, a drum of PCB-containing oil, and

drums of PCB motors and switches. It is not noted whether or not this is an environmental concern.

Section 6.7, Waste Generation, Storage and Disposal – The bulleted list of “releases and/or disposal of hazardous substances” should be divided as it is difficult to discern the difference between a pickup of waste and a release from the summaries provided.

Section 6.7, Waste Generation, Storage and Disposal –The location of the “bull pen” reported in the bulleted list is unclear.

Section 6.9, Sumps – The report notes that the car tipper pit sump was “formerly filled with oil”, yet earlier in the document, it is stated that during the walkthrough, the sump contained standing oil. It is also unclear whether “connected to sewer line” meant stormwater or sanitary sewer.

Section 6.11, Stormwater Management Systems – There is no mention of discharges to the stormwater system or the system as a pathway to the river and potentially to sediment contamination. The findings and opinions section (Section 9.0) notes that “there is evidence of past chemical handling in the vicinity of the catch basins”. This should be documented in Section 6.1.1.

ESA Figures: The current figures depicting site features are not useful because many features that are omitted (UST locations, outfalls, etc.) have equal or greater importance compared with many of the features that are included in the figures.

The Port requests that specific locations of facility systems, historic features of interest, and environmental concerns and RECs be designated on ESA site maps, along with various other features such as historic UST locations, storm sewer system lines and outfalls, etc.

General Comments

- Terminal 4 is a large facility. Little effort is made within the report to distinguish between the various locations.
- The term “property” and “site” are used interchangeably. This is confusing.
- Consistent with the definition provided in ASTM E 1527, the use of “recognized environmental concern” in various places in the report should be changed to “recognized environmental condition”.
- The ESA is focused on potential impacts to the leasehold (either from activities on the leasehold or from activities at adjacent/up-gradient properties). There is no evaluation of potential impacts originating from the Cargill leasehold to adjacent

properties, including those owned by the Port and/or adjacent sediments in Slip 1 and the Willamette River.

- The figure shows historic AST locations, but no current ASTs, and no historic/current USTs.
- The figure does not delineate the boundaries of the leasehold.
- The report makes no mention of Cargill having any environmental management plans in place, such as an SPCC plan.
- There is no mention of Cargill's preferential berthing rights or their over-water activities.
- There is no description within the report of the processes/operations at the terminal.

T-4 0134.PDF



November 26, 2003

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BY MAIL, FACSIMILE AND EMAIL

RE: Environmental Investigation and Cleanup of the Cargill Leasehold

Dear Messrs Schaufler, Loffler and Klein:

This letter explains why the Port is proceeding at this time with execution of the DEQ Voluntary Cleanup Program Agreement for remedial investigation, source control measures and remedy feasibility study at the Terminal 4 Slip 1 Upland area, including the Cargill leasehold. It also responds to Mr. Klein's email of earlier today.

As you are aware from previous correspondence and interaction with the Oregon Department of Environmental Quality (DEQ), DEQ has been concerned about environmental contamination issues at the Cargill leasehold for many months. We have

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PORT OF PORTLAND Legal → D ASHTON

002/003

CARG001180

Cargill
November 26, 2003

Please call me at 503-944-7220 if you have any questions.

Sincerely,



Sam Ruda
Marine Director
Port of Portland

cc: David Ashton, Port of Portland (w/o attachments)
Juli Killgore, Port of Portland (w/o attachments)
Eric Schwamberger, Port of Portland (w/o attachments)
Bob Moulton, Port of Portland (w/o attachments)

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November 20, 2003

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BY OVERNIGHT MAIL, FACSIMILE AND EMAIL

RE: Notice Under Cargill Incorporated Lease with the Port of Portland dated July 1, 1975, as Amended

Dear Sir:

This is to give notice under Section 12.4 of the above lease of a claim by the Department of Environmental Quality (DEQ) that there are sources of contamination in the Cargill leasehold area requiring remedial investigation, source control measures, and a feasibility study of remedial alternatives. DEQ's claim was received by the Port of Portland (Port) on November 18, 2003. The claim is attached for your consideration under the lease provisions summarized below:

Section 8.4 requires Cargill fully to comply with applicable laws, specifically including all environmental control laws, rules and regulations;

Section 6.4 requires Cargill to indemnify the Port in respect of claims, demands and damages imposed upon the Port that arise from or are in any way connected with Cargill's use, occupation, management or control of the leasehold. This indemnity includes any costs incurred by the Port in connection with any hazardous substance storage, discharge, or other handling. Covered damages,

PORT OF PORTLAND 121 NW EVERETT PORTLAND OR 97209 • BOX 3529 PORTLAND OR 97208 • 503-944-7000

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CARG001183

Cargill Incorporated
CLD Pacific Grain LLC
November 20, 2003
Page 2

covered costs and liabilities include those claiming to be owed by any regulating and administering agency;

Section 12.14 requires Cargill to remedy any contamination for which it is responsible under the Lease, and in the event Cargill fails so to do, the Port has the right to remedy the contamination and charge Cargill.

The DEQ's claim requires the Port to investigate and, if necessary, perform source control and remediation of an upland area including the suspected contamination in the Cargill leasehold. The area is denominated Operable Unit 1. To the extent that DEQ requires the Port to investigate and cleanup contamination to or from the Cargill leasehold that is covered under any of Cargill's responsibilities under its Lease — including those identified above — the Port holds Cargill responsible and will seek recovery and reimbursement.

Please evaluate the DEQ's claim and respond to me at your earliest convenience. Certainly, we would like to hear from you before we have to make a final decision on executing the consent order on Wednesday November 26, 2003.

Sincerely,



Sam Ruda
Marine Director

Attachments

cc: Jenifer Rancourt, ATC
David Ashton, Port of Portland (w/o attachments)
Juli Killgore, Port of Portland (w/o attachments)
Eric Schwamberger, Port of Portland (w/o attachments)
Bob Moulton, Port of Portland (w/o attachments)



Oregon

Thomase Katsigroff, Governor

Department of Environmental Quality**Northwest Region Portland Office**2020 SW 4th Avenue, Suite 400

Portland, OR 97281-4987

(503) 229-5263

FAX (503) 229-6945

TTY (503) 229-5471

November 13, 2003

Ms. Anne Summers
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Terminal 4 Slip 1 Voluntary Agreement
ECSI #2365

Dear Anne:

The Department of Environmental Quality (DEQ) completed its review of the Voluntary Agreement to conduct Remedial Investigation, Source Control Measure, and Feasibility Study activities for the Terminal 4 Slip 1 site. The draft version transmitted electronically to you on November 4, 2003 should be executed and returned to DEQ by November 26, 2003. Prompt initiation and completion of this project is a high priority for DEQ.

Please call me at (503) 229-5326 if you have questions.

Sincerely,

Tom Gainer, P.E.
Project Manager
Cleanup & Portland Harbor

cc: Jim Anderson, DEQ CU/PH



**VOLUNTARY AGREEMENT FOR
REMEDIAL INVESTIGATION, SOURCE CONTROL MEASURES, AND FEASIBILITY
STUDY**

DEQ NO. LQVC-NWR - LQVC-NWR-03-18

BETWEEN:

Port of Portland

AND:

Oregon Department of Environmental Quality

EFFECTIVE DATE:

November __, 2003

Pursuant to ORS 465.260(2) and (4), the Director of the Oregon Department of Environmental Quality ("DEQ"), enters this agreement ("Agreement") with the Port of Portland ("the Port"). This Agreement contains the following provisions:

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I. RECITALS

Page 1 - Voluntary Agreement for Remedial Investigation, Source Control Measures, and Feasibility Study

Port of Portland - Terminal 4 Ship 1 Upland Facility

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CARG001186

- A. This Agreement covers a portion of the Port's Marine Terminal 4 property located at 11040 North Lombard in Portland, Oregon, 97203. Terminal 4 comprises approximately 283 acres on the east bank of the lower Willamette River directly north of the St. Johns Bridge in North Portland. The portion of Terminal 4 covered by this Agreement is referred to in this Agreement as the "Terminal 4 Slip 1 Upland Facility" or "Facility," is located at the north end of the Terminal, and consists of uplands between River Miles 4.1 and 4.3 bounded to the north by the property boundary with the Schnitzer Steel facility, ECSI No. 2355, to the east by the Terminal 4 property boundary, to the south by an undeveloped slip that is presently identified as Wheeler Bay and the boundary of the Terminal 4 Slip 3 Upland Facility, and to the west and riverside by the ordinary line of low water of the lower Willamette River at Slip 1 and Wheeler Bay. A vicinity map and a map of the Terminal 4 Slip 1 Upland Facility covered by this Agreement are included as Attachments A and B, respectively, to this Agreement and are incorporated herein. The Terminal 4 Slip 1 Upland Facility includes two Operable Units, as depicted on Attachment B. Operable Unit 1 includes the area leased to and used by Cargill, Inc., a tenant that is in the process of terminating its lease. Operable Unit 2 encompasses the rest of the Upland Facility. The Terminal 4 Slip 1 Upland Facility does not include the following facilities: the in-water sediments of Slip 1; and the City's municipal separate storm sewer system traversing the Facility and discharging at Outfall 52C.
- B. The Facility is located within or near the Portland Harbor Superfund Site. The Port and other parties have entered into an administrative consent order with the United States Environmental Protection Agency ("EPA") dated September 28, 2001, under which sediments, including the sediments of Terminal 4 Slip 1, are undergoing a remedial investigation and feasibility study ("Sediments RI/FS"). The Port has also entered into an administrative order on consent for a CERCLA removal action for T4 Removal Action Area sediments, including Slip 1 sediments, and has entered into a letter agreement with DEQ regarding the same project. To the extent appropriate and feasible, it is the parties' intent that the Work required under this agreement will be integrated or coordinated with the harbor-wide RI/FS and the removal action.
- C. According to the Port, the Port acquired the property constituting the Terminal 4 Slip 1 Upland Facility in 1971 as a result of the Port's merger with the City of Portland Commission of Public Docks ("City CPD"). The City CPD purchased the property in 1917 as part of the original 117.55 acre site for the St. Johns Terminal. Development of the terminal resulted in the filling of Gatton Slough and adjacent land and the dredging out and land excavation of Slip 1. In 1972, the Port purchased a strip of land along the northern property line from Broadway Holding Company in connection with the relocation of the grain berth to the face of current Berth 401.
- D. According to the Port, the Facility has had rail service since its creation. Originally, Oregon-Washington Railway and Navigation Company ("OWR&N") provided rail service for terminal shipments. OWR&N was succeeded by Union Pacific Railroad ("UPRR"), the current rail service provider.

- E. According to the Port, the berthing areas at Slip 1 are berths 401 and 405 (former Pier 1) and berth 408 (former Pier 2). These berthing areas are currently used for loading and unloading bulk and break-bulk cargo. Port tenant International Raw Materials ("IRM") holds preferential berthing rights at berth 408. Historically Slip 1 berths were used for bulk and break-bulk cargo loading and unloading operations handling liquid fertilizer, lead and zinc concentrates, cured meats, agricultural produce, flour, liquid bulk vegetable oils and molasses, tallow, caustic soda, and a variety of general cargoes. Storage elevators and warehouses at the Terminal 4 Slip 1 Upland Facility have been used for grain, cold storage and general cargo. The Facility's liquid bulk tanks have been dedicated to molasses and vegetable oil storage.
- F. According to the Port, the Terminal 4 Slip 1 Upland Facility and adjacent area have had numerous lessees and operators over the course of the Terminal's existence. Prior to WWII, the City operated the terminal facility. Eagle Flouring Mill and its successor, Terminal Flour Mills, built and operated a flour mill, adjacent to the Grain Elevator. In addition, the H.N. Leckenby Co. operated a United States-licensed fumigating plant.
- G. According to the Port, at the outset of World War II, the United States Army Transport Service ("ATS") selected Terminal 4 as Portland's Port of Embarkation and leased property including the Facility from the City CPD. Grain Elevator operations continued until the summer of 1942, when USATS assumed total control of all Terminal 4 functions. ATS activities included expansion of the terminal's rail network.
- H. According to the Port, upon return of control of the terminal from USATS to the City CPD in 1947, the City CPD began converting its owner-operated facilities to lessee-operated facilities. Kerr-Gifford leased the Grain Elevator and associated areas beginning in 1947. In 1951, Cargill, Inc., Kerr-Gifford's corporate parent, assumed maintenance and operation of the grain facility upon lease renewal. NW Pesticide leased the fumigation plant. Matson Navigation Co. obtained a preferential berth tenancy at Slip 1. Cargill, NW Pesticide and Matson's operations involved the use of a container crane and two gantry cranes to deposit containers and bulk products on the dock. Lead and zinc concentrates, a dominant bulk import in the fifties and early sixties, were unloaded at the Facility. Pacific Molasses Company (later PM Ag Products) leased the liquid bulk tanks facility, which lease was assumed by IRM in 1996.
- I. According to the Port, the Port's operational involvement at Terminal 4 ceased in 1988 when Oregon Terminal Co. (a subsidiary of Jones-Oregon Stevedoring) became the terminal operator. Rogers Terminal Co. ("Rogers Terminal") began providing stevedoring service for Cargill the following year.
- J. In May 2003, Cargill notified the Port that it was terminating its grain facility lease as of June 2003. Cargill is in the process of performing an environmental site assessment of the leasehold as part of its leasehold exit audit. To the extent appropriate and feasible, the Port will strive to coordinate Cargill's environmental site assessment and follow on corrective action work, if any, with the implementation of the Work under this Agreement.

- K. The Facility's stormwater is collected by a series of catch basins and is discharged to the lower Willamette River through several outfalls. Four Port outfalls (SJ15PP, SJ16PP, SJ17PP, and SJ18PP) currently discharge into Slip 1. Two Port outfalls (SJ13PP and SJ14PP) currently discharge to the Willamette River, and one Port outfall (SJ19PP) currently discharges to Wheeler Bay. These outfalls collect stormwater from areas of tenant activities including Cereal Foods, Cargill, Rogers Terminal & Shipping and IRM. This stormwater management system and associated discharges are permitted under the Port's NPDES Municipal Separate Storm Sewer Water Permit No. 101314. City of Portland Outfall 52C draining North Lombard Avenue and North Roberts Avenue stormwater basins discharges into Slip 1 near Berth 405.
- L. Potential sources of contamination at the Facility include the following: potential spills from hazardous substance storage, potential spills from bulk handling practices in connection with ship-to-shore and land-to-rail loading and unloading, and unpermitted discharges into stormwater management systems with outfalls into the lower Willamette River. Historical contamination incidents include: in approximately 1984, a liquid fertilizer spill occurred in the tank containment area currently leased by IRM. Subsequent analytical work in 1996 revealed that area soil nitrate levels were all either non-detect or below 1.0 mg/kg. In 1984, Cargill had a release of gear grease at the facility that went into Slip 1, which was responded to by Reidel Environmental. In the late 1980s, soil staining was observed at the base of an aboveground storage tank operated by Rogers Terminal for the storage of used oil, and the tank was removed in early 1990. In 1997, Rogers Terminal removed old tires and a small amount of stained soil from an area east of its shop. In 2002, the Port excavated and removed lead-contaminated soils in the railyard area of the Facility. In 2002, Cargill had a release of hydraulic oil in the vicinity of the C-11 Hydraulic Room of their leasehold.
- M. Over time, various information has been collected regarding sediment quality in Slip 1, including for actual and proposed dredging actions and as part of the DEQ/EPA Portland Harbor Study leading up to the listing of the Harbor on the National Priorities List. Results reflect elevated levels of metals (mercury, cadmium, chromium, lead, and zinc), polycyclic aromatic hydrocarbons (PAHs), dibenzofuran, DDT, and polychlorinated biphenyls (PCBs) were detected in area sediments.
- N. In response to a request from DEQ, in March 2000 the Port prepared and submitted to DEQ a Preliminary Assessment ("PA") specific to the Slip 1 upland areas of Terminal 4. Pursuant to a request by DEQ in May 2001, the Port supplemented the PA and submitted the revised version in August 2001. In January 2003, the Port supplemented its revised PA with a letter further addressing certain of DEQ's comments on the revised PA. The letter report also documented preliminary characterization of seeps observed at the head of Slip 1 during a harbor-wide seep survey conducted at the end of 2002 as part of the RI/FS for the Portland Harbor Superfund Site. In addition, on August 14, 2003, the Port submitted to DEQ a cultural resources survey of Terminal 4, dated April 11, 2003, evaluating significant cultural, archaeological and other historical resources at and in the vicinity of the Facility.

- O. Facility investigation activities conducted to date at the Terminal 4 Slip 1 Facility reveal that the initial chemicals of interest ("COIs") are metals (mercury, cadmium, chromium, lead, and zinc), PAHs, dibenzofuran, DDT, and PCBs. These COIs are "hazardous substances" within the meaning of ORS 465.200(15). The Facility is a "facility" within the meaning of ORS 465.200(12). DEQ alleges that the presence of hazardous substances in soil and groundwater at the Facility constitutes a "release" or "threat of release" into the environment within the meaning of ORS 465.200(21). The Port is a "person" within the meaning of ORS 465.200(20).
- P. The scope of this Agreement is (1) completion of a remedial investigation and risk assessment for the Facility; (2) identification and implementation of source control measures for unpermitted discharge or migration of hazardous substances to the lower Willamette River (3) completion of a feasibility study for the Facility; and (4) DEQ's selection of a final remedial action for the Facility necessary to protect public health, safety and welfare and the environment. Final design, construction, and performance of the final remedial action will be addressed through a separate agreement with DEQ. Any sediment contamination associated with the Facility is being addressed through separate processes.
- Q. DEQ considers the activities required by this Agreement to be necessary to protect public health, safety, and welfare and the environment.

II. AGREEMENT

The parties agree as follows:

A. Work

1. Remedial Investigation, Risk Assessment, and Feasibility Study

The Port shall perform a Remedial Investigation, Risk Assessment, and Feasibility Study for the Terminal 4 Slip 1 Upland Facility, in accordance with OAR 340-122-0080, 340-122-0084 and 340-122-0085, applicable elements of the Scope of Work ("SOW") included and incorporated by reference as Attachment B to this Agreement, and the terms and schedule of a DEQ-approved work plan to be developed by the Port. The Port may specify, in the proposed work plan, elements of the SOW that the Port considers inapplicable or unnecessary to the Facility Remedial Investigation, Risk Assessment, or Feasibility Study. The Port may propose to perform the work in phases or operable units.

2. Source Control Measures

For any unpermitted discharge or migration of hazardous substances to the lower Willamette River or to its sediments identified in the Remedial Investigation, the Port shall identify and evaluate source control measures in accordance with the SOW and the terms and schedule of a DEQ-approved work plan to be developed by the Port. DEQ will review and approve source control measures pursuant to OAR 340-122-0070 and through

consultation with EPA. Upon DEQ approval, the Port shall implement source control measures in accordance with a DEQ-approved work plan to be developed by the Port.

3. DEQ Review

DEQ shall provide review, written comments, approvals, disapprovals, and oversight in accordance with the schedule set forth in the SOW, or as soon as thereafter practicable in the event staff resources or workload prevent compliance with the schedule. Any DEQ delay shall correspondingly extend the Port's schedule for a related deliverable or activity.

4. DEQ Record of Decision

Following the Port's completion of the Feasibility Study, and taking into consideration the source control measures already implemented by the Port, DEQ will select or approve a final remedial action for the Facility in accordance with OAR 340-122-0090 and after consultation with EPA, through an administrative Record of Decision.

5. Additional Measures

The Port may elect at any time during the term of this Agreement to undertake remedial measures, other than those required under this Agreement, that are necessary to address a release or threatened release of hazardous substances at the Facility. Such other measures shall be subject to prior approval by DEQ. Prior approval shall not be required in emergencies where the Port reasonably believes a delay in undertaking a particular action will threaten human health, safety, or the environment, provided that the Port notifies DEQ of the emergency and action as soon as is practicable.

6. Dredging Activities

The Port shall notify the DEQ Project Manager at least 60 days before undertaking any slip maintenance or improvement dredging that might disturb sediments adjacent to the T4 Slip 1 Upland Facility. Within 15 days of the Port's submission of any pre- or post dredging characterization report for such sediments to any governmental agency, the Port shall submit a copy of the same report to the DEQ Project Manager.

B. Public Participation

1. Upon execution of this Agreement, DEQ will provide public notice of this Agreement through issuance of a press release, at a minimum to a local newspaper of general circulation, describing the measures required under this Agreement. Copies of the Agreement will be made available to the public. Before publication, DEQ shall provide the Port with a draft of the press release, and consider any comments by the Port.
2. Before the selection or approval of a source control measure or final remedial action for the Facility, DEQ will provide public notice and opportunity for comment in accordance with OAR 340-122-0100.

3. DEQ will work with the Port to accommodate any further public participation associated with this Agreement that is required by the Port's compliance with the CERCLA NCP.

C. DEQ Access and Oversight

1. DEQ shall use its best efforts, but not be obligated, to provide reasonable notice before entering the Terminal 4 Slip 1 Upland Facility. Consistent with the terms of the Port's leases with its tenants, as identified to DEQ in an approved Remedial Investigation work plan, the Port shall allow DEQ to enter all portions of the Facility at all reasonable times for the purposes, among other things, of inspecting records relating to work under this Agreement; observing the Port's progress in implementing this Agreement; conducting such tests and taking such samples as DEQ deems necessary; verifying data submitted to DEQ by the Port; and using camera, sound recording, or other recording equipment for purposes relating to work under this Agreement. Upon the Port's verbal request, DEQ shall make available to the Port a split or duplicate of any sample or recording taken by DEQ pursuant to this Agreement. DEQ shall adhere to all Facility health and safety requirements identified in the applicable Health and Safety Plan, which might include requirements to wear personal protective equipment and be accompanied by Facility personnel.
2. The Port shall permit DEQ to inspect and copy all records, files, photographs, documents, and data in connection with work under this Agreement, except that the Port shall not be required to permit DEQ to inspect or copy items subject to attorney-client or attorney work product privilege. DEQ shall use its best efforts, but not be obligated, to provide reasonable notice before asking to inspect and copy records.
3. Attorney-client and work product privileges may not be asserted with respect to any records required to be submitted to DEQ under Paragraphs II.G.1 and II.G.2 of this Agreement. Upon DEQ's request, the Port shall identify to DEQ -- by addressor-addressee, date, general subject matter, and distribution -- any document, record, or item withheld from DEQ on the basis of attorney-client or attorney work product privilege. DEQ reserves its rights under law to obtain documents that DEQ asserts are improperly withheld by the Port.

D. Project Managers

1. To the extent possible, all reports, notices, and other communications required under or relating to this Agreement shall be directed to the following individuals:

DEQ Project Manager:

Tom Gainer
Voluntary Cleanup Program
Oregon DEQ
2020 SW Fourth Avenue, Suite 400
Portland, Oregon 97201-4987

The Port Project Manager:

Anne Summers
Project Manager
Port of Portland
P.O. Box 3529
Portland, Oregon 97208

gainer.tom@deq.state.or.us
fax: 503-229-6899

summea@portptld.com
fax: 503-944-7353

2. The Port's and DEQ's Project Managers shall be available and have the authority to make day-to-day decisions necessary to complete the SOW under this Agreement.

E. Notice and Samples

The Port shall make every reasonable attempt to notify DEQ of any excavation, drilling, or sampling to be conducted under this Agreement at least five working days before such activity but in no event less than 24 hours before such activity. Upon DEQ's verbal request, the Port shall make available to DEQ a split or duplicate of any sample taken pursuant to this Agreement. DEQ shall make every effort to complete analysis of any split or duplicate sample on a schedule consistent with the Port's schedule for related activities. DEQ shall provide the Port with copies of all analytical data from such samples as soon as practicable.

F. Quality Assurance

The Port shall conduct all sampling, sample transport, and sample analysis in accordance with the Quality Assurance/ Quality Control ("QA/QC") provisions approved by DEQ as part of a work plan developed by the Port and approved by DEQ. Plans prepared and work conducted as part of this Agreement shall be consistent with DEQ's *Quality Assurance Policy No. 760.00*. The Port shall ensure that each laboratory used by the Port for analysis performs such analyses in accordance with such provisions.

G. Records

1. In addition to those technical reports and documents specifically required under this Agreement, the Port shall provide to DEQ within 30 days of DEQ's written request copies of documents generated in connection with the work required under this Agreement, including QA/QC memoranda and QA/QC audits, draft and final deliverable plans, final reports, task memoranda, field notes, and laboratory analytical data that have undergone data quality validation.
2. If DEQ determines that review of raw data or preliminary laboratory reports is necessary in order to ensure protection of public health, safety, and welfare or the environment, that information will be provided by the Port within 10 days of DEQ's written request.
3. The Port and DEQ shall preserve all records and documents in their possession or control, or in the possession or control of their employees, agents, or contractors, that relate in any way to activities under this Agreement, for at least five years after termination of this Agreement under Subsection ILR., provided that after such 5-year period, the Port and DEQ shall each provide the other 60 days notice before destroying or otherwise disposing of such records, and make them available for inspection and copying.
4. The Port may assert a claim of confidentiality regarding any documents or records submitted to or copied by DEQ pursuant to this Agreement. DEQ shall treat documents

and records for which a claim of confidentiality has been made in accordance with ORS 192.410 through 192.505. If the Port does not make a claim of confidentiality at the time the documents or records are submitted to or copied by DEQ, the documents or records may be made available to the public without notice to the Port.

H. Quarterly Progress Reports

The Port shall deliver to DEQ on or before the fifteenth day of the month following each calendar quarter of this Agreement a progress report containing the following items. DEQ anticipates that progress reports will not exceed two pages in length. A report may be provided by email, except as noted.

1. Actions taken under this Agreement during the previous quarter;
2. Sampling, test results, and any other data generated by the Port during the previous quarter (hard copies of analytical data should be provided by mail);
3. A description of any problems experienced during the previous quarter and the actions taken to resolve them; and
4. Actions scheduled to be taken in the next quarter.

I. Other Applicable Laws

Subject to ORS 465.315(3), all activities undertaken by the Port under this Agreement shall be performed in accordance with all applicable federal, state, and local laws and regulations. Further, all activities under this Agreement shall be performed in accordance with any applicable federal, state, and local laws and regulations related to archeological objects and sites and protection thereof. If archeological objects or human remains are discovered during investigation, removal or remedial activities at the Facility, the Port shall, at a minimum, (a) stop work immediately in the vicinity of the find, (b) provide any notifications required by ORS 97.745 and 358.920, (c) notify, within 24 hours of the discovery, Fenix Grange, Portland Harbor Project Coordinator, at 503-229-6590, and (d) use best efforts to ensure that the Port and its employees, contractors, counsel, and consultants keep the discovery confidential, including but not limited to refraining from contacting the media or any third party or otherwise sharing information regarding the discovery with any member of the public, and immediately notifying DEQ of and directing any inquiry from the media or public regarding the discovery to DEQ.

J. Reimbursement of DEQ Oversight Costs

1. Prior to entry of this Agreement, DEQ shall submit to the Port an estimate of unreimbursed costs incurred by DEQ to date for Facility RI/FS-related activities and for preparation and negotiation of this Agreement. Upon entry of this Agreement, DEQ shall submit to the Port an estimate of future DEQ oversight costs associated with implementation of this Agreement over the next one year. Thereafter, on the anniversary of the entry of this Agreement, DEQ shall provide an estimate of future DEQ oversight costs associated with implementation of this Agreement over the ensuing one year period.
2. DEQ shall submit to the Port a monthly invoice of costs incurred after issuance of this Agreement by DEQ in connection with oversight and implementation of this Agreement. DEQ also will submit to the Port an invoice for unreimbursed costs incurred before entry of this Agreement. Each invoice will include a summary of costs billed to date. DEQ's invoice for direct costs will include a direct labor summary showing the persons charging time, their billing rates for that month, the amount of time, and the nature of the work performed.
3. DEQ or State of Oregon oversight costs payable by the Port shall include both direct and indirect costs. Direct costs shall include Facility-specific expenses, DEQ contractor costs, and DEQ legal costs. Indirect costs shall include those general management and support costs of DEQ and of the Land Quality Division that are allocable to DEQ oversight of this Agreement and not charged as direct, Facility-specific costs. Indirect costs shall be based on a percentage of direct personal services costs.
4. Within 30 days of receiving a DEQ invoice, the Port shall pay the costs billed by check made payable to the "State of Oregon, Hazardous Substance Remedial Action Fund." The Port shall pay simple interest of 9% per annum on the unpaid balance of any oversight costs, which interest shall begin to accrue at the end of the 30-day payment period. Upon request to DEQ, the Port may review underlying documentation including but not limited to the following: DEQ personnel time sheets; travel authorizations and vouchers; DEQ contractor monthly invoices; and all applicable laboratory invoices.

K. Force Majeure

1. If any event occurs that is beyond the Port's reasonable control and that causes or might cause a delay or deviation in performance of the requirements of this Agreement, the Port shall promptly notify DEQ's Project Manager verbally of the cause of the delay or deviation and its anticipated duration, the measures that have been or will be taken to prevent or minimize the delay or deviation, and the timetable by which the Port proposes to carry out such measures. The Port shall confirm this information in writing within five working days of the verbal notification.
2. If the Port demonstrates to DEQ's satisfaction that the delay or deviation has been or will be caused by circumstances beyond the reasonable control and despite the due diligence of the Port, DEQ shall extend the times for performance of related activities under this Agreement, as appropriate. Circumstances or events beyond the Port's control might include but are not limited to acts of God, unforeseen strikes or work stoppages, fire,

explosion, riot, sabotage, or war. Increased cost of performance or changed business or economic circumstances shall be presumed not to be circumstances beyond the Port's reasonable control.

L. Prior Approval

Where DEQ review and approval is required for any plan or activity under this Agreement, the Port shall not proceed to implement the plan or activity until DEQ approval is received. Any DEQ delay in granting or denying approval shall correspondingly extend the time for completion by the Port. Prior approval shall not be required in emergencies where the Port reasonably believes a delay in undertaking a particular action will threaten human health or safety, or the environment, provided that the Port notifies DEQ of the emergency and action as soon as is practicable.

M. Dispute Resolution

In the event of disagreement between the Port and DEQ regarding implementation of this Agreement, the Port and DEQ shall, in the following order: (1) make a good faith effort to resolve the dispute between Project Managers; (2) if necessary, refer the dispute for resolution by the immediate supervisors of the Project Managers; (3) if necessary, provide each other their respective positions in writing and refer the dispute for resolution by DEQ's Administrator of the Land Quality Division or the Northwest Region Administrator and the Port's Director of Environmental Affairs; and (4) if necessary, refer the dispute for resolution by DEQ's Director and the Port's Executive Director. DEQ's final decision after such dialogue shall be enforceable under this Agreement. The time required for dispute resolution shall correspondingly extend the Port's schedule of all pending, affected deliverables and activities.

N. Enforcement of Agreement and Reservation of Rights

1. In the event of the Port's failure to comply with this Agreement (including any failure to reimburse oversight costs), DEQ may enforce this Agreement as an order under ORS 465.260(5) or may terminate this Agreement after 30 days' written notice to the Port.
2. In the event of DEQ's failure to provide oversight in accordance with this Agreement, the Port may terminate this Agreement after 30 days' written notice to DEQ. Costs incurred or obligated by DEQ before the effective date of any termination of this Agreement shall be owed under the Agreement notwithstanding such termination.
3. The Port does not admit any facts (including those recited herein, except those stated in paragraphs I.C, I.D, I.E, I.F, I.G, I.H, and I.I.), legal issues, liability, or violation of law by virtue of entering this Agreement.
4. Except as otherwise provided in Subsection II.O., nothing in this Agreement shall prevent the Port from exercising any rights of contribution or indemnification that the Port might have against any person, including the State of Oregon, regarding the release(s) of hazardous substances that are the subject of this Agreement, provided the Port waives any

right it might have under ORS 465.260(7) to seek reimbursement from the Hazardous Substance Remedial Action Fund for costs incurred under this Agreement.

5. The Port agrees not to litigate, in any proceeding brought by DEQ to enforce this Agreement, any issue other than the Port's or DEQ's compliance with this Agreement.
6. Because the Terminal 4 Slip 1 Upland Facility is part of the initial study area of the Portland Harbor Superfund Site, DEQ agrees to cooperate with the Port to encourage EPA to accept satisfactory and complete performance under this Agreement as fulfillment of the Port's obligation to perform the same work under CERCLA. If EPA does not agree that such performance under this Agreement fulfills such CERCLA obligations, this Agreement may be modified pursuant to Subsection II.Q. or terminated at the election of DEQ or the Port. Any other additional EPA-imposed obligations may be addressed by modification of this Agreement under Subsection II.Q. or by separate agreement or order, including an enforceable agreement with EPA. DEQ and the Port will coordinate to ensure that all work under this Agreement is integrated and coordinated, to the extent possible, with any similar work to be undertaken pursuant to agreements and orders entered into by the Port and EPA.
7. This Agreement supersedes any prior agreement between DEQ and the Port regarding the Facility, including Intergovernmental Agreement DEQ No. WMCVC-NWR-98-06 dated October 23, 1998, but does not supersede the letter agreement between the Port and DEQ regarding the T4 CERCLA removal action.

O. Hold Harmless

1. To the extent permitted by the Oregon Constitution and by the Oregon Tort Claims Act, the Port shall save and hold harmless DEQ and its officers, employees, contractors, and agents, and indemnify the foregoing, from and against any and all claims arising from acts or omissions related to the implementation of this Agreement of the Port or its officers, employees, contractors, agents, receivers, trustees, or assigns. DEQ shall not be considered a party to any contract made by the Port or its agents in carrying out activities under this Agreement.
2. To the extent permitted by Article XI Section 7 of the Oregon Constitution and by the Oregon Tort Claims Act, DEQ shall save and hold harmless the Port and its officers, employees, contractors, and agents, and indemnify the foregoing, from and against any and all claims arising from acts or omissions related to this Agreement of DEQ or its officers, employees, contractors, or agents -- except for acts approving or omissions constituting approval of any activity of the Port under this Agreement. The Port shall not be considered a party to any contract made by DEQ or its agents in carrying out activities under this Agreement.

P. Parties Bound

This Agreement shall be binding on the parties and their respective successors, agents, and assigns. The undersigned representative of each party certifies that he or she is fully

authorized to execute and bind such party to this Agreement. No change in ownership or corporate or partnership status relating to the Facility shall in any way alter the Port's obligations under this Agreement, unless otherwise approved in writing by DEQ.

Q. Modification

DEQ and the Port may modify this Agreement by mutual written agreement.

R. Duration and Termination

Upon completion of work under this Agreement, the Port shall submit to DEQ a written notice of completion. This Agreement shall be deemed satisfied and terminated upon payment of all oversight costs owed, DEQ's issuance of a letter acknowledging satisfactory completion of activities in accordance with this Agreement, and DEQ's issuance of a Record of Decision selecting or approving a final remedial action for the Facility. Such letter shall be issued within 60 days of issuance of the Record of Decision and payment of outstanding DEQ oversight costs, or as soon thereafter as is reasonably practicable. In the event that DEQ is unable to issue such letter within 60 days of issuance of the Record of Decision, DEQ shall provide the Port with a written schedule upon which DEQ anticipates issuance of the letter.

THE PORT OF PORTLAND

By: _____
Bill Wyatt

Date: _____

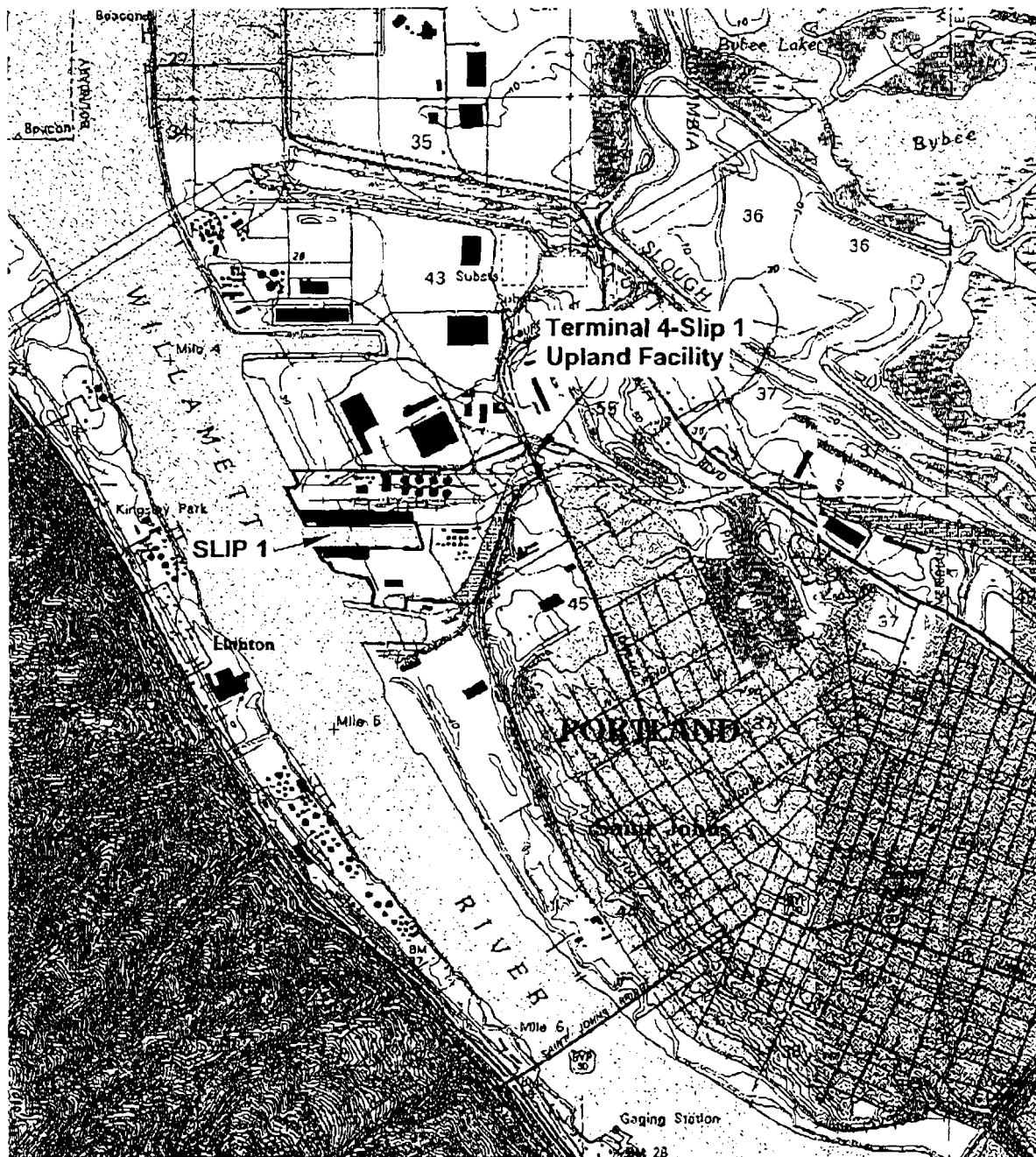
Executive Director

STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____
Paul Slyman

Date: _____

NW Administrator



SOURCE: PORTLAND, OREGON USGS 7.5 MINUTE QUADRANGLE, 1990
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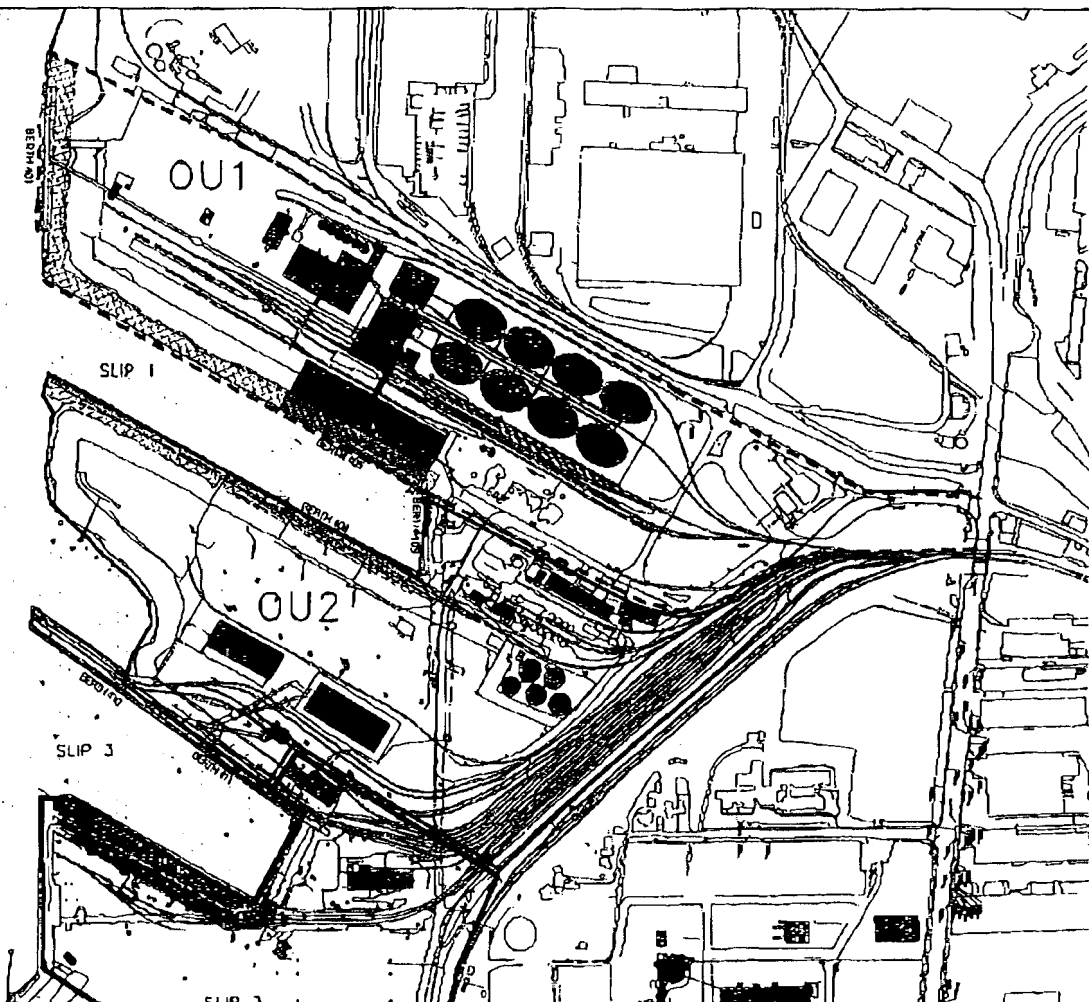
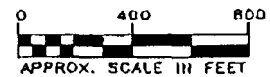
VICINITY PLAN
 PORT OF PORTLAND
 TERMINAL 4 SLIP 1 UPLAND FACILITY
 11040 NORTH LOMBARD
 PORTLAND, OREGON
ATTACHMENT-A

LEGEND

- T4 SLIP 1 OPERABLE UNIT 1 BOUNDARY
- T4 SLIP 1 OPERABLE UNIT 2 BOUNDARY
- T4 SLIP 3 UPLAND FACILITY BOUNDARY
- EXISTING STRUCTURES
- ▨ DOCK OR RIVER AREAS*
- WILLAMETTE RIVER

NOTES:

* DOCK AREAS ARE INCLUDED IN THIS AGREEMENT, BUT ANY SEDIMENT OR RIVER AREAS ARE EXCLUDED FROM THE AGREEMENT.

**URS**

FACILITY PLAN
PORT OF PORTLAND
TERMINAL 4 SLIP 1 UPLAND FACILITY
11640 NORTH LONGA RD
PORTLAND, OREGON
OCTOBER 2000
75295423
ATTACHMENT-B

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**ATTACHMENT C
SCOPE OF WORK FOR
REMEDIAL INVESTIGATION, SOURCE CONTROL MEASURES, AND FEASIBILITY
STUDY**

I SCHEDULE

The Port will submit for DEQ review and approval, in accordance with the following schedule, work plans and/or reports for a Facility Remedial Investigation ("RI"), Risk Assessment ("RA") and Feasibility Study ("FS") and for Facility Source Control Measures ("SCMs"). The work plans and reports shall address all elements of this Scope of Work ("SOW"). Elements of the SOW may be addressed by alternative means or by using existing data or information to the extent that the data are applicable, meet the objectives of the RI, RA, FS or SCMs, and are of acceptable QA/QC.

ACTIVITY	SCHEDULE
Submit Draft RI Proposal to DEQ	To DEQ within 45 days of the issuance of this Agreement
DEQ Review and Comment	To Respondent within 30 days of receipt of the Draft RI Proposal
Submit Draft RI/FS Work Plan to DEQ	To DEQ within 60 days of DEQ approval of the RI Proposal
DEQ Review and Comment	To Respondent within 30 days of receipt of the Draft RI/FS Work Plan
Final RI/FS Work Plan	To DEQ within 30 days of receipt of DEQ comments on the Draft RI/FS Work Plan
Initiation of RI	To be specified in the Project Management section of the RI Work Plan
Initiation of SCM	To be specified in the Project Management section of the RI Work Plan

The schedule for additional deliverables specified in this SOW (e.g., Risk Assessment Work Plan, Remedial Investigation Report, Risk Assessment Report, Source Control Measures Work Plan, and Feasibility Study Report) shall be specified in the Project Management section of the RI/FS Work Plan.

The Port may amend all work plans as necessary to reflect or incorporate newly discovered information and/or environmental conditions. Additional work plans and work plan amendments are subject to DEQ review and approval and will be processed according to schedules negotiated between the parties at the time of each phase change or task addition. The Port will initiate and complete work according to the schedule specified in the applicable approved work plan or amendment. Future schedules or deadlines for submittals, work plans or other requirements shall be adjusted accordingly for the time necessary for preparation, approval and implementation of additional work plans, investigations and/or reports not contemplated in the original schedule and shall be approved by DEQ in writing.

II. OBJECTIVES

Work performed under this SOW will incorporate and complement existing Facility information by achieving the following specific objectives. For purposes of this SOW, "Facility" shall consist of the portion of Terminal 4 Slip 1 identified in Paragraph LA of the Agreement's Recitals as the Terminal 4 Slip 1 Upland Facility.

- A. Identify and characterize all hazardous substance source areas at the Facility. Source areas shall be characterized through a review of historical information and the collection of environmental samples for chemical, geotechnical, and other analyses. The evaluation of source areas shall focus on upland operations that may have resulted in a hazardous substance release.
- B. Evaluate all contaminant migration pathways at the Facility. Key elements relevant to contaminant migration include, but are not limited to, the rate and direction of groundwater flow, subsurface contaminant migration to the Willamette River, overland contaminant migration to the Willamette River, storm water discharge to the Willamette River, direct and indirect release to the Willamette River, preferential migration pathways, volatilization, dust entrainment, and riverbank seepage.
- C. Determine the nature, extent, and distribution of hazardous substances in affected media at the Facility. This analysis should focus on the vertical and horizontal extent of source area contamination, groundwater contamination, and surface and subsurface soil contamination.
- D. Collect sufficient data and historical information to allow the identification of possible areas of sediment contamination adjacent to the Facility. Areas of potential sediment contamination shall be characterized through the Portland Harbor Sediment RI/FS. Data collection and evaluation shall consider the potential for contaminant migration to the Willamette River and for over- or in-water releases of hazardous substances resulting from Facility operations. The Port may be required to perform limited sediment or benthic sampling adjacent to the Facility in order to address an objective of this SOW but will not be required to conduct sediment or benthic sampling that is duplicative of sampling under the Portland Harbor Sediment RI/FS.
- E. Identify hot spots of contamination, if any, at the Facility.
- F. Identify all current and reasonably likely future human and ecological receptors at the Facility. Receptors shall include human and ecological receptors that may be exposed to hazardous substances at the Facility. This analysis should consider all relevant contaminant migration pathways and the nature, extent and distribution of hazardous substances in affected media.
- G. Through the performance of human health and ecological RAs, evaluate the risk to human health and the environment from releases of hazardous substances at or from the Facility.
- H. Generate or use data of sufficient quality for the analysis and selection of remedial alternatives.

- I. Develop and evaluate a range of remedial alternatives that will address Facility risks identified in the RI and that will prevent adverse effects to beneficial water uses as determined through an exceedance of applicable standards, criteria or guidance.
- J. Include a preference for treatment of identified hot spots of contamination.
- K. Develop the information necessary to identify and design SCMs to address unpermitted discharges or migrations of hazardous substances to the lower Willamette River or its sediments that arose or arise from Facility operations.
- L. Implement the SCMs selected by DEQ.

III. REMEDIAL INVESTIGATION PROPOSAL

The RI Proposal shall briefly discuss the Port's proposed approach to the RI, addressing soil, groundwater, surface water, sediments, and air. The proposal will provide the framework for the RI Work Plan and will include at a minimum, a summary of data collected to date, a conceptual site model (including a conceptual site hydrogeologic model), a description of RI goals and objectives and an estimated schedule for completion of the RI.

IV. REMEDIAL INVESTIGATION AND FEASIBILITY STUDY WORK PLAN

The RI/FS Work Plan shall be developed in accordance with applicable Oregon Administrative Rules (OAR §§ 340-122-010 through 340-122-115), DEQ guidance, and the Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA, OSWER Directive 9355.3-01, 1988, as appropriate. Existing data may be used if it meets data quality objectives for the RI/FS Work Plan. The RI/FS Work Plan shall include, but not be limited to, the following items:

A. Project Management Plan

The RI/FS Work Plan shall include (1) a proposed schedule for submittals and implementation of all proposed activities and phases pertaining to this SOW (the schedule will include target dates for the submittal of an RA work plan, and of draft and final RI, RA, SCMs and FS reports); (2) a description of the personnel (including subcontractors, if known) involved in the project, and their respective roles in the project; and (3) a discussion of how variations from the approved work plan will be managed.

B. Facility Description

The RI/FS Work Plan shall include a discussion of the current understanding of the physical setting of the Facility and surrounding area; the Facility history; hazardous substance and waste management history; Facility operations conducted on, in, over or adjacent to the Willamette River and current Facility conditions.

C. Facility Characterization Plan

The Facility Characterization plan shall be consistent with DEQ guidance and the requirements specified in OAR § 340-122-080. The Facility Characterization plan shall include, but not be limited to, characterization of the hazardous substances, characterization of the Facility, identification of potential receptors and the collection and evaluation of information relevant to the identification of hot spots of contamination, and shall address the following items:

1. Soils

Objective: to identify and characterize releases of hazardous substances to the Facility soils.

Scope: the plan shall supplement previous Facility soil sampling. The plan shall address all areas of the Facility which could potentially have received spills, leaks from tanks or piping, been used for waste treatment or disposal, or been affected by contaminated surface water or storm water runoff, and at which soil contamination is known or suspected.

Procedures: the plan shall be designed and conducted to characterize the Facility geology, determine the physical and chemical soil characteristics relevant to the RI and FS; evaluate the potential for contaminant migration; gather the information necessary to identify contaminant hot spots; determine the vertical and lateral extent of soil contamination, and determine the extent to which soil contamination may contribute to Willamette River sediment contamination. The plan shall include the proposed methodology for characterizing soil.

2. Groundwater

Objective: to identify and characterize releases of hazardous substances to the Facility groundwater.

Scope: the plan shall supplement previous Facility investigations and shall identify and characterize all past, current and potential releases of hazardous substances to groundwater from the Facility.

Procedures: the plan shall be designed and conducted to characterize the Facility hydrogeology, determine the physical and chemical water bearing zone characteristics relevant to the RI and FS; evaluate the potential for contaminant migration through groundwater; gather the information necessary to identify contaminant hot spots; determine the vertical and lateral extent of groundwater contamination on and, if applicable, off-site; estimate the rate of contaminant flux to the Willamette River; and determine the extent to which free phase product is migrating to the Willamette River. The plan shall include the proposed methodology for characterizing groundwater. Alternative methods for characterizing groundwater should be considered to accelerate the RI and FS. Monitoring wells and other holes must be drilled, constructed and decommissioned in accordance with OAR Chapter 690, Division 240 and DEQ's Ground Water Monitoring Well, Drilling, Construction and Decommissioning guidelines (DEQ 1992).

3. Surface Water

Objective: to identify and characterize releases of hazardous substances from the Facility to surface water.

Scope: the plan shall supplement previous Facility investigations and shall identify and characterize all past, current, and potential impacts to surface waters from the Facility.

Procedures: the plan shall be designed and conducted to characterize the Facility hydrology; determine the physical and chemical surface water characteristics relevant to the RI and FS including flow characteristics; evaluate the potential for contaminant migration; gather the information necessary to identify contaminant hot spots; determine the extent to which surface water may have been affected by releases of hazardous substances at the Facility; and determine the nature and extent of surface water contamination, including whether such contamination extends to the lower Willamette River. The plan shall include the proposed methodology for characterizing surface water.

4. Sediments

Objective: to identify and characterize releases of hazardous substances from the Facility to sediments.

Scope: the plan shall supplement previous Facility investigations. The plan shall identify and characterize all past, current, and potential releases from the Facility of hazardous substances to sediments, in a manner consistent with the Portland Harbor Sediment RI/FS. Characterization of the nature and extent of sediment contamination shall not be subject to this Agreement, but is contemplated to be completed through the Portland Harbor Sediment RI/FS.

Procedures: the plan shall be designed to identify Facility sources of sediment contamination and to characterize mechanisms for release from the Facility to sediments.

5. Air

Objective: to identify and characterize any unpermitted release of hazardous substances to the air, from Facility soil, surface water, or groundwater contamination.

Scope: the plan shall supplement previous Facility investigations and shall identify and characterize all past, current and potential releases (e.g., contaminated soil or groundwater) of hazardous substances to air.

Procedures: the plan shall characterize the Facility climatology; determine the physical and chemical air characteristics relevant to the RI and FS; be designed to delineate the nature and extent of contamination; evaluate the potential for contaminant migration to the Willamette River and surrounding areas; and gather the information necessary to identify contaminant hot spots. The plan shall include the proposed methodology for evaluating air emissions using appropriate emission calculations and/or a field sampling program.

6. Identification of Current and Reasonably Likely Future Land and Water Use

Objective: to identify current and reasonably likely future land and water uses in the Facility locality, excluding those of the Willamette River.

Scope: the plan shall be designed to identify current and reasonably likely future land and water uses for the purposes of identifying contaminant hot spots and conducting the baseline human health and ecological RAs based on OAR § 340-122-080, and DEQ Guidance.

Procedures: the plan shall include the proposed methodology for identifying current and reasonably likely future land and water uses in the Facility locality.

D. Sampling and Analysis Plan (SAP)

Objective: to adequately document all sampling and analysis procedures.

Scope: the following guidance documents shall be used to prepare the SAP: Data Quality Objectives for Remedial Response Activities, EPA/540/G-87/004 (OSWER Directive 9355.0-7B), March 1987; Test Methods for Evaluating Solid Waste, SW-846; and A Compendium of Superfund Field Operations Methods, EPA/540/P-87/001 (OSWER Directive 9355.0-14), December 1987. The SAP shall address all topics listed in Environmental Cleanup Division Policy #760.000, Quality Assurance Policy.

Procedures: the work plan shall include a sampling and analysis plan (SAP). The SAP shall include quality assurance and quality control (QA/QC) procedures for both field and lab work. The SAP shall be sufficiently detailed to function as a manual for field staff.

E. Health and Safety Plan (HASP)

Objective: to establish policies and procedures to protect workers and the public from the potential hazards posed by a hazardous materials site.

Scope: the HASP portion of the work plan shall comply with 29 CFR § 1910.120 and OAR Chapter 437, Division 2.

Procedures: the HASP shall include a description of RI/FS activity-related risks, protective clothing and equipment, training, monitoring procedures, decontamination procedures and emergency response actions.

F. Maps

The work plan shall include Facility maps which clearly show Facility topography, on-site structures, waste disposal areas and proposed sampling locations.

V. EVALUATION AND IMPLEMENTATION OF SOURCE CONTROL MEASURES

Objective: To implement source control measures necessary to address unpermitted discharges or migrations of hazardous substances to the lower Willamette River or to its sediments that warrant a removal action under OAR 340-122-070.

Scope: The Source Control Measures Work Plan shall provide for gathering sufficient information to evaluate, design and implement necessary source control measures.

Procedures: the Source Control Measures Work Plan shall be designed and conducted to characterize all release mechanisms to the Willamette River. Characterization data shall be adequate to evaluate, design and implement necessary source control measures. Source control measures shall address contaminant migration to the river through overland transport, storm water runoff, free phase product migration, direct release, and/or dissolved groundwater contaminant migration that warrant removal action under OAR 340-122-070.

VI. RISK ASSESSMENT WORK PLAN

A. Upland Human Health Risk Assessment Work Plan

Objective: to evaluate the demographic, geographic, physical, chemical, and biological factors at the Facility to characterize current or reasonably likely future risks to human health from threatened or actual release(s) of a hazardous substance at or from the Facility; document the magnitude of the potential risk at the Facility; support risk management decisions; and establish remedial action goals if necessary.

Scope: the human health RA shall evaluate risk in the context of current and reasonably likely future land and water uses and in the absence of any actions to control or mitigate these risks (i.e., under an assumption of no action). The human health RA portion of the work plan shall be developed based on the requirements specified in OAR § 340-122-084, DEQ guidance, and the Risk Assessment Guidance for Superfund – Human Health Evaluation Manual Part A, United States Environmental Protection Agency (EPA) Interim Final, July 1989 (RAGS-HHEM). A suggested outline for the human health evaluation is given in Exhibit 9-1 of the RAGS-HHEM. The work plan should use this outline as a framework for discussing the methodologies and assumptions to be used in assessing the potential human health risks at the Facility.

Procedure: the plan shall describe the different tasks involved in preparing the human health RA. The human health RA can be completed using either deterministic or probabilistic methodologies. If probabilistic methodologies are to be used, then the Port shall discuss risk protocol with DEQ before commencing a probabilistic RA.

The upland human health RA shall be designed to achieve the following goals:

1. Develop appropriate exposure units considering the nature, extent, and distribution of contamination and the reasonably likely future land and water use in the Facility locality;

2. Establish data quality objectives for each identified exposure unit;
3. Collect data appropriate to satisfy the data quality objectives for each exposure unit;
4. Identify contaminants of interest for each media of concern;
5. Develop exposure scenarios based on current and reasonably likely land use, Facility features and potentially exposed populations;
6. Identify appropriate exposure factors for all exposure pathways to be evaluated;
7. Identify the appropriate toxicity factors for all exposure pathways to be evaluated; and
8. Quantify the risks to human health at the Facility.

B. Upland Ecological Risk Assessment Work Plan

Objective: to evaluate the demographic, geographic, physical, chemical, and biological factors at the Facility for the purposes of characterizing current or reasonably likely future risks to the environment as a result of a threatened or actual release(s) of a hazardous substance at or from the Facility, quantifying the potential risk at a Facility, supporting risk management decisions, and establishing remedial action goals if necessary.

Scope: the ecological RA shall evaluate risk in the context of current and reasonably likely future land and water uses and in the absence of any actions to control or mitigate these risks (i.e., under an assumption of no action). The ecological RA will use a tiered approach (with four levels) to produce a focused and cost-effective assessment of risk. The ecological RA work plan shall be developed based on the requirements specified in rule under OAR § 340-122-084 and DEQ guidance.

Procedure: the plan shall describe the different tasks involved in preparing the ecological RA. Ecological RAs may include a level I scoping plan; a level II screening plan; a level III baseline plan; and a level IV field baseline plan. The level III and level IV baseline plans shall include an exposure analysis, an ecological response analysis, a risk characterization and an uncertainty analysis as required by OAR § 340-122-084(3). The ecological RA can be completed using either deterministic or probabilistic methodologies. If probabilistic methodologies are to be used, then the Port shall discuss risk protocol with DEQ before commencing a probabilistic RA.

Terrestrial habitats and receptors shall be evaluated through the following approach:

1. Complete a Level I Scoping assessment according to DEQ guidance for the terrestrial portion of the Facility;
2. Make a preliminary determination of Facility locality with respect to terrestrial receptors and current and potential future exposure to Facility-related contaminants; and

3. Determine the potential for the presence and absence of terrestrial threatened or endangered species.

VII. REPORTS

A. Quarterly Progress Reports

The Port shall deliver to DEQ on or before the fifteenth day of the month following each calendar quarter of this Agreement a progress report containing the following items. DEQ anticipates that progress reports will not exceed two pages in length. A report may be provided by email, except as noted.

1. Actions taken under this Agreement during the previous quarter;
2. Sampling, test results, and any other data generated by the Port during the previous quarter (hard copies of analytical data should be provided by mail);
3. A description of any problems experienced during the previous quarter and the actions taken to resolve them; and
4. Actions scheduled to be taken in the next quarter.

B. Remedial Investigation Report

The Remedial Investigation Report shall follow the outline in Table 3-13 (page 3-30 - 3-31) in the CERCLA RI/FS guidance, as applicable, and address the items listed below:

1. Executive Summary
2. Introduction
3. Facility Background

A discussion and supporting maps, if applicable, of the Facility setting, the Facility itself, Facility operations, and current and reasonably likely future land and water uses.

4. Study Area Investigation

A discussion of the investigative procedures and results for soil, groundwater, surface water, sediments and air.

5. Summary and Conclusions

A discussion of the nature, extent, distribution and environmental fate and transport of contaminants in soil, groundwater, surface water, sediments and air.

6. Appendices

Detailed information supporting the results of the RI shall be submitted in the Appendices of the report.

C. Risk Assessment Report

1. Human Health Risk Assessment Report

The results of the human health RA should follow DEQ RA guidance for human health and RAGS-HHEM Part A.

2. Ecological Risk Assessment Report

The main sections of the ecological RA report should follow specific DEQ guidance for report formats at each level (I-III).

D. Feasibility Study Report

The results of the FS will comply with OAR Chapter 340, Division 122, DEQ Guidance, and, as appropriate, Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA, OSWER Directive 9355.3-01, 1988. The results of the FS will follow the outline suggested in Table 6-5 (Pages 6-15) of the CERCLA RI/FS guidance.

The main sections of the FS report will include the following items:

1. Introduction

2. Identification of Hot Spots of Contamination

3. Identification of Areas or Volumes of Media which Require Remedial Action

Identify areas or volumes of media which exceed the acceptable risk level, and areas or volumes of media which have been identified as contaminant hot spots.

4. Development of Remedial Action Objectives

Develop and discuss the remedial action objectives (RAOs) that meet the standards in OAR § 340-122-040.

5. Identification and Screening of Remedial Technologies

Identify potential containment, treatment, and removal technologies and eliminate (screen) those technologies that cannot be implemented at the Facility.

6. Development and Screening of Preliminary Remedial Action Alternatives

Develop a range of preliminary remedial action alternatives which achieve the remedial action objectives and are protective of public health, safety and welfare, and the environment. Retain the "No Action" alternative for comparison.

7. Detailed Analysis of Remedial Action Alternatives:

Analyze remedial action alternatives in detail in accordance with OAR §§ 340-122-085 and 340-122-090.

8. Comparative Analysis of Remedial Action Alternatives

Compare and rank the remedial action alternatives based on the detailed analysis of remedial action alternatives.

9. Recommended Remedial Action Alternative

Recommend a remedial action alternative based on the comparative analysis of remedial action alternatives. Perform a residual RA the recommended alternative in accordance with OAR § 340-122-084(4). Include the information required by OAR § 340-122-085(8).

E. Source Control Measures Evaluation

This report shall describe the information gathered during the implementation of the Source Control Measures Work Plan. It shall identify the SCMs that are necessary to address unpermitted discharges or migrations of hazardous substances to the lower Willamette River or to its sediments that warrant a removal action under OAR § 340-122-070.

F. Source Control Measures Implementation Report

This report shall describe the Port's implementation of the SCMs selected by DEQ.

VII. REPORT DISTRIBUTION

- A. Two (2) bound and one (1) unbound copy(s) of all reports, other than the Quarterly Progress Reports, will be submitted to DEQ.
- B. DEQ requests that all report copies be duplex printed on recycled paper.

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November 14, 2003

Ms. Jenifur Rancourt
Staff Scientist
ATC Associates
11825 SW Greenburg Road, Suite 2B,
Tigard, OR 97223

VIA E-MAIL AND FACSIMILE

RE: Port Input into Cargill Exit Audit following October 27, 2003 Site Reconnaissance of the Cargill Leasehold

Dear Ms. Rancourt:

Enclosed please find the November 13, 2003, letter of comment from Jeff Wallace and Mike Edwards of URS summarizing their findings and recommendations following the joint site reconnaissance visit of the Cargill leasehold by representatives of Cargill, ATC and URS October 27, 2003, as part of the exit audit required by Cargill Lease Article VI, Section 12.14. This information is submitted for consideration in drafting the environmental audit.

It should also be noted that DEQ has now finalized the Voluntary Cleanup Program consent order for remedial investigation, source control measures and feasibility study of the uplands at Slip 1 including the Cargill Leasehold. We will shortly be formally notifying Cargill of this order.

Please contact me at (503) 240-2014 if you have any questions regarding the enclosed submission, or if I may be of further assistance as you finalize your report.

Sincerely,

Eric Schwamberger
Environment & Safety Manager
Marine Division
Port of Portland

cc: Gene Loffler, Cargill (e-mail & fax)
Arnie Schaufler, Cargill (e-mail & fax)
Bob Moulton, Port of Portland
David Ashton, Port of Portland
Juli Kilgore, Port of Portland
Anne Summers, Port of Portland

PORT OF PORTLAND 121 NW EVERETT PORTLAND OR 97209 • BOX 3529 PORTLAND OR 97208 • 503-944-7000

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111 SW Columbia, Suite 900
Portland, OR 97201
Tel: 503.222.7200
Fax: 503.222.4292

November 13, 2003

Ms. Kristi Maitland
Environmental Project Manager
Port of Portland
121 NW Everett St.
Portland, Oregon 97209

Re: Exit Environmental Audit of Cargill Leasehold at Terminal 4

Dear Ms. Maitland:

Pursuant to your request, URS participated in the October 27, 2003 site reconnaissance by Cargill's consultant, ATC Associates Inc. (ATC), of the Cargill leasehold portion of Terminal 4. ATC has been retained by Cargill to perform an exit environmental audit of the Cargill leasehold. ATC and URS representatives were escorted by Mr. Gene Loffler, Cargill Operations Manager and Mr. Lance Bachman, Cargill Export Superintendent.

URS participated in order to assist ATC in identifying Recognized Environmental Conditions (REC's) and areas of concern to the Department of Environmental Quality (DEQ) associated with the Cargill leasehold area of the upland facility. DEQ is requiring this area be subjected to remedial investigation (RI), source control measures (SCM) and feasibility study (FS) under Oregon Administrative Rules. The matters identified below were communicated to ATC and Cargill during the reconnaissance.

The Cargill leasehold consists of a bulk grain storage facility, a distribution facility, and operational support facilities. There is capacity for 7.5 million bushels of bulk grain storage, facilities to unload grain from both vessels (Berth 405) and rail cars, and to load grain into ships (Berth 401). The facility includes a grain elevator and capacity for 1.5 million bushels of grain storage in upright concrete silos, and capacity for another six million bushels of grain storage in eight steel tanks. Operational support facilities include a shop, pesticide mix room, longshoreman lunchroom, and office building. The Cargill facility is not currently in operation.

The site reconnaissance included all areas of the Cargill leasehold with the following exceptions: only one of the 750,000 bushel steel grain storage tanks was inspected; the interior of the concrete grain silos were not entered.

Based on URS' review of available records, the Port's interaction with DEQ regarding suspected contamination at the Terminal 4 Slip 1 Upland Facility, and URS' observations made during the site reconnaissance, URS identified several RECs and past operational practices and actions that have created environmental concerns requiring further evaluation or subsurface investigation. This letter provides a summary of our observations and recommendations. The attached figure provides an indication of the location of some of these areas, as it could be ascertained, based on the available records.

Kristi Maitland
November 13, 2003
Page 2

RECOGNIZED ENVIRONMENTAL CONDITIONS & ASSOCIATED RECOMMENDATIONS

The following items would be RECs:

- **Underground Storage Tanks (USTs)** – USTs were formerly used at the leasehold. The exact number and location of each of these former tanks should be determined. Additionally, at a minimum, closure records should be reviewed to determine the potential for soil or groundwater contamination at each location. If closure and tank location assessment records cannot be located documenting the tank closures, a sampling program should be implemented to assess the soil and groundwater impacts from past tank usage.
- **Pesticide Use** – According to Mr. Loffler, current pesticide use is limited to weed control and rodent control using poisoned bait. The bait boxes and the pesticide applications are conducted by a contractor hired by Cargill. When the facility was last in operation, some grain shipments were treated with malathion prior to loading. The malathion was mixed in a pesticide mix room beneath the grain conveyor near the grain elevator. According to Mr. Loffler, the use of pesticides included, but may not be limited to, phosgene gas and weevilcide. Mr. Loffler suggested that the phosgene gas was likely applied as a solid in the grain silos and the weevilcide was applied as a liquid. A record of pesticide usage at the leasehold, including DDT (a contaminant identified in adjacent Willamette River sediments and Slip 1), should be developed, and a sampling program should be developed and implemented to evaluate the potential presence of residual levels of pesticides in the leasehold area.
- **Hydraulic Systems** – Hydraulically operated equipment is present at several locations at the Cargill facility. Evidence of oil staining is prevalent around many of these areas, including the South Unloading Pit. Soil contamination identified at location C-11 is scheduled for remediation later this month. Evaluation of impacts at each of these locations, including soil sampling, and other sampling as appropriate, should be conducted. Turnstile pits at the facility contain significant amounts of petroleum contamination, consequently, sampling for petroleum contamination within the underlying soils should be undertaken if there is any reasonable suspicion they may have leaked.
- **Electrical Transformers** – Mr. Loffler reported that Cargill removed PCB-containing transformers from the facility many years ago in compliance with a company-wide management strategy. The records of this work, including the location of the PCB transformers at the Cargill leasehold, and the records of any environmental testing conducted in association with the transformer removals should be reviewed. If no soil sampling was conducted at such former locations, soil samples should be obtained. Depending on the location, the need for wipe samples of nearby concrete should also be considered.

Kristi Maitland
November 13, 2003
Page 3

- **Sumps** – A liquid-filled sump was identified in the basement of the South Unloading Pit. The nature of the liquid could not be determined during the walkthrough. Hahn and Associates personnel reported that during their June 10, 2003 site walk, the liquid was "discolored and odorous". The drainage for the sump was not determined. Many more sumps are believed to exist in the facility, according to Mr. Loffler, as reported in the Hahn and Associates, Inc., letter of June 12, 2003 documenting their site walk. Cargill personnel also indicated during the October 27, 2003 site walk that a map exists showing the locations of all existing sumps. The sumps located at the facility represent a potential pathway for contaminants to be released to soil and groundwater. The location of all sumps should be identified, the sumps should be inspected, construction records should be reviewed to determine the discharge point for liquids which accumulate in the sumps, and a sampling plan should be developed and implemented to evaluate the potential impacts from the sumps.
- **Hazardous Material Storage Areas** – Locations of hazardous material storage areas should be confirmed. An evaluation should be made as to whether soil and groundwater samples are appropriate in the areas of current or former hazardous materials storage areas.
- **Aboveground Storage Tanks (ASTs)** – An evaluation should be made as to whether soil and groundwater samples are appropriate in the vicinity of current and former ASTs.
- **Cesspools** – Available documentation suggests there were wood lined "cesspools" on the site. The former location, use, and potential for contamination associated with these facilities should be evaluated.
- **Waste Piles** – Several waste piles of soil and asphalt were observed on-the Cargill facility during the site inspection in the general locations shown on the attached figure. The origin of these materials was not identified. Although the waste piles were reportedly removed shortly following the date of the walkthrough, confirmation of the solid waste or other regulatory status of these materials should be obtained, and further assessment of the footprint of the piles should be completed.
- **Railroad Trackage** – Railroad tracks within the entire area, especially the tracks along the southern edge of the Cargill leasehold, appear to have a significant amount of soil staining. A sampling approach should be developed for these areas and implemented.
- **Stormwater System** – The potential for contamination from past operations to have contaminated the existing stormwater collection and conveyance system should be considered. Cargill stormwater permits should be evaluated and compared to practices employed. In addition, the system itself should be evaluated as a potential source of contamination to the slip and the river.

Kristi Maitland
November 13, 2003
Page 4

OTHER ENVIRONMENTAL CONCERNS

The following items or past practices warrant further inquiry to evaluate whether they represent RECs requiring further evaluation or subsurface sampling:

- A 100-foot deep, 8-inch diameter well was formerly located on the property, according to ATC personnel at the site inspection. The Port has no record of any well on the site. The location, installation records and boring log, any use records and well abandonment record for the well should be obtained and reviewed and further evaluation undertaken, if warranted.
- The need for evaluation of the potential for asbestos-containing building materials and lead-based paint should be considered.
- Former locations of equipment maintenance activities should be assessed as to the potential for environmental concerns arising from past practices in these areas.

ADDITIONAL RECOMMENDATIONS REGARDING THE DEVELOPMENT OF FURTHER RELEVANT INFORMATION

Specific activities that may assist in evaluating the environmental conditions of the Cargill leasehold include:

- Detailed reviews of historical site information.
- Identify and interview Cargill personnel with direct knowledge of the facility's history of operations as they pertain to the use of hazardous materials. The Cargill personnel participating in the site reconnaissance had little direct knowledge of these issues. At a minimum, the Cargill corporate environmental manager and a supervisor or manager who worked at the facility when it was in full operation and would be familiar with the day-to-day operations should be interviewed. Inquiries should be made relative to, but not limited to, hazardous materials management, waste generation and disposal, tanks, pesticide handling and application, PCB management, tank closure records, and records of wastes disposed of off-site.
- Records of all historical releases of hazardous substances or testing of environmental media (e.g., soil and groundwater) samples should be reviewed. Records of communications with environmental regulatory agencies, as they pertain to potential for hazardous material release, should be reviewed. Examples of this might include reports of leaking USTs, Notice of Violations regarding hazardous waste management, and records of spills.
- Records of Cargill's biannual environmental compliance audits, as they pertain to potential for hazardous material release, should be reviewed.

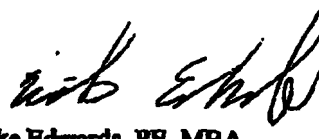
Kristi Maitland
November 13, 2003
Page 5

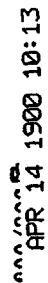
In preparation for the imminent consent order with DEQ regarding the RI, SCM, and FS for the Terminal 4 Slip 1 Upland Facility, URS is still gathering and reviewing records associated with the Cargill leasehold. The opinions expressed in this letter represent URS' current professional judgment based on information reviewed to date and discussions with the Port and DEQ.

URS appreciates the opportunity to provide these comments. If you have any questions, please do not hesitate to give either of us a call at (503) 222-7200.

Sincerely,
URS CORPORATION


Jeff Wallace, RG
Program Manager


Mike Edwards, PE, MBA
Senior Project Manager



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Oregon
Theodore Kulongoski, Governor

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June 9, 2004

Ms. Kristi Maitland
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Draft Remedial Investigation Work Plan
Terminal 4 Slip 1
ECSI #2365

Dear Kristi:

The Department of Environmental Quality (DEQ) reviewed the May 2004 *Draft Remedial Investigation (RI) Work Plan* for the Port of Portland (Port) Terminal 4 Slip 1 (T4S1) site and has the following comments.

General Comments

DEQ has identified many areas of concern (AOCs) whose locations appear to be uncertain (e.g., AOCs 5, 6, 7, 13, 15, 17, 19 20, 21, 22, 24, 26, 28, 54, 60, 75, 77). Most of these AOCs are underground storage tanks (USTs). DEQ is concerned that without confirmatory information regarding the locations of underground AOCs, the data collection objectives of the uplands RI may not be met.

For example, the locations of the cesspools (i.e., AOC 15) are based on site maps. The RI Work Plan indicates that the six cesspools were present on maps as far back as 1948, are relatively large (10-foot square and 10-foot deep), lined with creosote treated ties, and may have been connected to the adjacent grain storage buildings via piping. The Port acknowledges that the use of the cesspools solely for sewage disposal has not been confirmed. As such, the Port recommends analyzing samples from this AOC for the complete list of chemicals of interest (COI) identified for the site. The general approach for evaluating the potential environmental impacts associated with AOC 15 appears to be drilling one boring next to one cesspool (except where other AOCs are in the immediate vicinity). The success of the proposed sampling approach depends entirely on knowing the locations of the cesspools.

DEQ recommends that the Port consider conducting field work prior to initiating drilling to further assess the locations of underground AOCs as necessary. The pre-drilling work could include excavating exploratory test pits using a backhoe or geophysical surveys (e.g., ground penetrating radar).



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Specific Comments

Sections 2.1.5 and 3.3 It is not appropriate to exclude permitted storm water discharges from the RI. All storm water discharges should be evaluated as potential contaminant migration pathways to the Willamette River. Storm water and/or catch basin sediment sampling may be appropriate for complete migration pathways (i.e., there are potential contaminant sources to storm water that could be transported to the river by pipe or overland). Existing permit sampling data can be used as an initial evaluation, but additional analyses for chemicals of interest are typically required.

Section 3.3 (Stormwater Characterization) references a "Phase II Data Summary/Phase III Evaluation Report" that will assess the potential for storm water to contact soil impacted by COIs and provide recommendations for additional work, if appropriate. Further references to this report were not found. It's not mentioned in Section 6.0 (RI Report Preparation), and is not shown in Table 2 (Project Documents and Schedule for Delivery to DEQ) or on Figure 4 (Project Schedule) of the Project Management Plan.

Section 2.3 and Table 2 DEQ recommends revising COIs proposed for the following individual AOCs:

AOC 9, Railroad Track Staining Area. Creosote is a complex mixture of organic chemicals, many of which may not be included in a U.S. Environmental Protection Agency (USEPA) 8270C, Selective Ion Method (SIM) analysis of polycyclic aromatic hydrocarbons (PAHs) associated with petroleum hydrocarbons. Some of these chemicals (e.g., dibenzofuran, carbazole) have screening criteria applicable to the uplands RI. DEQ recommends analyzing soil samples for semi-volatile organic compounds (SVOCS), including PAHs, to account for potential impacts to soil by creosote.

AOC 12, General Pesticide Usage. The RI Work Plan indicates that the industrial activities in OUI included use of rodent and pest control, and that, "The quantities, types, storage areas, and application areas of these pesticides are not known." Although COI are identified for Area 12, an approach for locating and assessing the locations of the referenced pesticide use areas is not included and should be proposed.

AOC 25, Waste Pile. The RI Work Plan indicates that railroad ties were disposed of in the waste pile, and that information regarding the period of use, the waste types, and disposal practices for this AOC are not documented. Given the presence of potential impacts to soil by creosote and the unknown history of the waste pile, DEQ recommends that SVOCS, including PAHs, be added to the list of COI.

AOC 54, Hall-Buck T-24. According to the RI Work Plan, "This tank is described as a 10,000-gallon UST of unknown contents that was reportedly removed." An assumption is made that the UST was formerly used for petroleum product storage. DEQ recommends that polychlorinated biphenyls (PCBs) and metals be added to the list of COI in the event used oil was placed in the UST.



AOC 60, City CPD T-44. If, as the RI Work Plan indicates, this AOC could be the same as AOC 58, then the list of COIs should be the same. As such, DEQ recommends that metals be added to the COI list for AOC 60.

AOC 64, Former Leckenby Fumigation Plant. If pesticides are not detected at this AOC, DEQ will require additional information to make the determination that they are absent. Additional information could include; 1) assessing the types and usage of pesticides during the period of fumigation plant operation, and 2) evaluating whether the chemicals included in the USEPA Method 8081A and USEPA Method 8141A analyte lists are reasonably expected to be detected (i.e., were the chemicals being manufactured during the period of fumigation plant operation).

AOC 72, Railroad Alignments. See DEQ's comments above for AOC 9 (Railroad Track Staining Area) and AOC 25 (Waste Pile) regarding analyzing samples for SVOCs, including PAHs.

AOC 74, Utility Storage Building. Port employees indicate this building was formerly used to store hazardous materials, including "paint supplies and industrial cleaning agents." Given the general nature of the information regarding the stored materials and the potential for paints to have been present, DEQ recommends that metals and SVOCs, including PAHs, be added to the list of COI for this AOC.

Section 3.2.2 This paragraph describes the general approach for assessing the potential impacts to the environment associated with AOCs that handled fluids or discharged fluids to the subsurface, and those that did not. The text suggests that assessment of potential impacts to groundwater by AOCs where fluids were not handled will be conducted during Phase III of the RI if appropriate.

DEQ recommends that the Port consider collecting reconnaissance groundwater samples at these AOCs if they are located downgradient of AOCs that handled fluids. This information could provide useful information on the nature and extent of potential groundwater impacts and could reduce duplicative drilling and sampling work.

Section 3.2.3 The general approach to locating exploratory borings and monitoring wells for the uplands RI is AOC-dependant (i.e., in the context of groundwater contamination). Understanding the geology and hydrogeology of the site appears to contingent on the presence and/or proximity of soil and/or groundwater contamination. There are two potential pathways for preferential groundwater flow identified at Terminal 4 (i.e., Gatton Slough, "sand" channel shown on Figure 4). The RI Work Plan does not appear to propose much in the way of additional work to assess the influence these pathways could have on groundwater flow at the site. In addition, proposals for collecting data regarding the hydraulic properties of the "fill/upper alluvium" hydrogeologic unit and the fine-grained confining unit are not included in the RI Work Plan.



DEQ recommends the Port add the following items to the RI Work Plan to assess preferential groundwater pathways and the hydraulic properties of the hydrogeologic units of interest at Terminal 4.

- Construct piezometers in selected soil borings already included in the current scope of work. The piezometers would be used to supplement groundwater level information in the vicinity of the two preferential groundwater pathways interpreted to occur at the site.
- Collect horizontal hydraulic conductivity data at selected soil borings and/or monitoring wells constructed in the fill/upper alluvium hydrogeologic unit.
- Submit samples of the fine-grained confining unit for vertical hydraulic conductivity testing.

Section 3.3 Storm water sampling will likely be necessary (see comment above). It is not clear if you are proposing to conduct such sampling during Phase III activities.

Section 4.3 Water use at the subject site should reference the evaluation presented in Section 7.3 the T4 Slip 3 RI (January 21, 2000).

Section 5.1.2 The probable effects concentrations (PECs) for freshwater sediments should be added to screen erodible soil that could migrate to river sediment by pipe or overland transport. Similarly, PECs should be added to Table 6 in Appendix A.

Figure 9 DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.

Sampling and Analysis Plan Comments

Section 3.2 Although not specifically stated in the RI Work Plan, DEQ expects that monitoring wells will be installed in a boring separate from the soil boring. That is, at drilling locations designated for monitoring wells, after the soil boring has been completed and the depth of the monitoring well selected, drilling equipment will be moved and the monitoring well boring will be advanced within a few feet of the corresponding soil boring. Given the status of the T4/S1 RI (i.e., limited drilling and sampling completed within the interior of the site) and the locations of proposed borings (i.e., in or near AOCs), this approach will minimize, to the extent practicable, the potential for shallow impacted material to fall down the borehole into the screened interval of the monitoring well.

Section 5.1 Section 2.3.1 (OUI Areas of Concern) of the RI Work Plan indicates that the source of suspected impacts in AOC 29 (Schnitzer Auto Fluff Area) is "...dust, particulate matter, and projectiles that accumulate on the ground surface..." Therefore, DEQ recommends that, if they are not already included in the soil sampling program, surface soil samples be collected at each of the boring locations shown in Figure 3.



Section 7.2 A sentence should be added to this paragraph that indicates water level measurements will be made prior to initiating sampling activities at a monitoring well.

Additionally, there appear to be two stabilization criteria provided for determining when a monitoring well should be sampled. The first set of criteria is the bulleted list of items from Section 3.3 (Monitoring Well Development). The second criterion uses a "10% of the previous reading" approach. DEQ requests clarification as to which set will be used during monitoring well sampling.

Section 7.2 This section of the Sampling and Analysis Plan (SAP) indicates that, "Dissolved metals samples will be collected using a new, in-line disposable 40-micron filter." DEQ believes the Port intends to use a 0.45-micron filter.

For the purpose of comparing groundwater data to human health and ecological screening criteria, the detected concentrations of total metals are used. DEQ anticipates that groundwater samples collected for metals analysis will be analyzed for total concentrations of metals unless turbidity readings cannot be reduced to less than 50 NTU. Samples for analysis of dissolved metals concentrations can be collected to evaluate total metals results.

Section 8.7.3 Table 5 of the SAP indicates that many of the analyte specific laboratory method reporting limits are greater than human and/or ecological screening levels. The text of the SAP does not describe how this data will be reviewed and managed (e.g., if not detected will these analytes be retained as "chemicals of potential concern"). DEQ requests that this information be provided.

Table 2 The meaning of Note 3 is unclear. DEQ requests that it be further explained. In addition, the table should be revised to incorporate DEQ's comments regarding AOCs made to Section 2.3 (Areas of Concern) of the RI Work Plan.

Table 4 This table indicates "rinsate blanks" will be collected and analyzed for water samples. The first paragraph of Section 7.2 (Groundwater Sample Collection) of the SAP indicates that groundwater samples will be collected using dedicated decontaminated tubing and/or bailers that are discarded between uses. As such, rinsate blanks would not appear to be applicable to groundwater samples.

In addition, this table does not include a column showing the numbers of duplicate soil and/or water samples that will be collected and analyzed during the field program. The table should be revised accordingly.

Tables 5 and 6 These tables do not provide MRLs and/or screening criteria for the list of SVOCs analyzed for using USEPA Method 8270C (see Table 4 of the SAP). Both tables should be revised accordingly.



Ms. Kristi Maitland
June 9, 2004
Page 6 of 6

Figure 3 DEQ recommends that in addition to the borings positioned around the margins of AOC 27 (Former Transformer Handling Area) and AOC 28 (Possible Drum Burial Area), additional borings be located near the center of these AOCs. More representative data regarding potential "worst-case" impacts for each AOC will be obtained using this approach.

Next Steps

Please provide a written response to these comments within 30 days. The draft RI WP will be finalized following adequate resolution of the comments.

Please call me at (503) 229-5326 if you have questions.

Sincerely,



Tom Gainer, P.E.
Project Manager
Cleanup & Portland Harbor Section

cc: Anne Summers, Port
Mike Edwards, URS
Dana Bayuk, DEQ NWR



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March 25, 2004

Ms. Kristi Maitland
Port of Portland
P.O. Box 3529
Portland, OR 97208

RE: Remedial Investigation Proposal and Phase I Work Plan
Terminal 4 Slip 1
ECSI #2365

Dear Kristi:

On March 23, 2004, the Port of Portland (Port) submitted two documents for the Terminal 4 Slip 1 (T4S1) site to the Oregon Department of Environmental Quality (DEQ): 1) response to comments on the *Draft Remedial Investigation (RI) Proposal* and 2) a revised work plan for expedited Phase I RI Activities. DEQ accepts both documents without further revisions and the Phase I activities should be implemented starting the week of March 29, 2004. The response to comments on the draft RI Proposal should be incorporated into the draft RI Work Plan.

Please call me at (503) 229-5326 if you have questions.

Sincerely,

Tom Gainer, P.E.
Project Manager
Portland Harbor Section

cc: Anne Summers, Port
Mike Edwards, URS
Dana Bayuk, DEQ NWR



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PORT OF PORTLAND

March 23, 2004

Tom Gainer
Senior Environmental Engineer
Cleanup/Portland Harbor
Oregon Department of Environmental Quality
2020 SW Fourth Avenue, Suite 400
Portland, OR 97201

Re: Response to Comments on the Draft Remedial Investigation Proposal
Terminal 4 Slip 1 Upland Facility

Dear Tom:

Attached please find the Port of Portland (Port) response to the Oregon Department of Environmental Quality (DEQ) comments on the Terminal 4 Slip 1 Upland Facility draft Remedial Investigation (RI) Proposal that were provided in your letter dated February 18, 2004. From your letter, it is our understanding that preparation of a final RI Proposal is not necessary and that comments will be incorporated into the draft RI Work Plan. In addition to the response to comments, the Port has revised Table 1 (Potential Area of Concern Evaluation) of the draft RI Proposal to reflect DEQ comments and requirements. The table lists which Areas of Concern require further evaluation during the RI and is attached for your review. As we discussed in our meeting on March 18, 2004, the Port requests written concurrence that DEQ agrees with the list of Areas of Concern that will be evaluated during the RI.

Please call me with any questions or comments.

Sincerely,


Kristi Maitland
Environmental Project Manager

Enclosure

c: Dana Bayuk, DEQ
Dennis Klein, Cargill Inc.
Kimberly Thorstad, Cargill Inc.
David Ashton, Port
Phil Ralston, Port
Eric Schwamberger, Port
Anne Summers, Port
Bob Teeter, Port
Mike Edwards, URS

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CARG001230

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility
("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
1	AST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #45: 675-gallon, steel, diesel. Removed 9/03. Locomotive and other small equipment fueling. Adsorbent material found on ground near tank. 	Yes, per DEQ requirement (letter dated 2/18/04)
2	AST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #46: 500-gallon, steel, propane, active. 	No, in accordance with ATC ESA Report
3	AST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #47: 675-gallon, steel, used oil. Removed 9/03. 	No, in accordance with ATC ESA Report
4	AST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #48: 250-gallon, steel, used oil. Removed 9/03. 	No, in accordance with ATC ESA Report
5	UST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #22: 500-gallon, 'Heater' Fuel Oil, DEQ file # 401. Tank was located inside the Grain Storage Building in an area with limited access. Surface is paved. 	Yes, per DEQ requirement (letter dated 2/18/04)
6	UST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #23: 1,000-gallon, Diesel, DEQ file # 401. Decommissioned. 	Yes, in accordance with ATC ESA Report
7	UST	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Cargill Tank #85: (may be same as #22, converted storage material) Used Oil, removed in 1993, DEQ file # 401. 	Yes, per DEQ requirement (letter dated 2/18/04)
8	Cargill Phostoxin and Weevil-Cide Use	<ul style="list-style-type: none"> OU1, Buildings 150 and 151 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Phostoxin and weevilcides containing aluminum phosphide and ammonium carbamate rapidly decompose in water to non-hazardous substances. Older forms of weevilcides, used until the mid-1980s contained carbon tetrachloride and carbon disulphide, which are hazardous substances. Dust control measures in place; little to no pesticides reportedly escaped building structure. 	No, in accordance with ATC ESA Report

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility

("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
9	Railroad Track Staining	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Tracks between Berth 401 and the Track Shed. Track staining was identified by URS and ATC during the Facility reconnaissance. 	Yes, in accordance with ATC ESA Report
10	Cargill Hydraulic Pump Area Staining	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) west of the Car Tipper shed 	<ul style="list-style-type: none"> Staining around the two hydraulic pump units was identified by URS and ATC during the Facility reconnaissance. 	Yes, in accordance with ATC ESA Report
11	Cargill Deep Water Well	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) west of the grain storage tanks 	<ul style="list-style-type: none"> 1953 drawing show the well supplied water to the Dust House. Well was filled in 1992 with cement according to Oregon Water Well Report dated 4/27/92. Field notes indicate approximately 7 feet of oil seen on top of water, beginning at 27 feet below ground surface. Spencer Environmental pumped 307 gallons of "product" from the well, and PCB tests were negative. 	Yes, in accordance with ATC ESA Report
12	General Pesticide Usage (Not on Figure 8)	<ul style="list-style-type: none"> OU1 (Former Cargill Leasehold) 	<ul style="list-style-type: none"> Pesticides used in Cargill Facility. Quantities, types, and storage areas not known. 	Yes, per DEQ requirement (letter dated 2/18/04)
13	Former Transformer House	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) Southwest of Grain Storage Area 	<ul style="list-style-type: none"> Built ~1918, had below-ground transformer storage. Demolished in 1977. Transformer type not known. 	Yes, per DEQ requirement (letter dated 2/18/04)
14	Cargill Basement-Level Sump	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) Cargill Rail Car Tipper Sump 	<ul style="list-style-type: none"> Cargill Rail Car Tipper Sump contained "discolored and odorous" liquid (likely groundwater) observed during Facility walk. 	Yes, in accordance with ATC ESA Report
15	Cesspools	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) several locations 	<ul style="list-style-type: none"> 4 cesspools identified on maps west of the grain storage silos were labeled as demolished. 2 cesspools (south of the Cargill Truck Dump and west of the former Millwright Shop) were noted on undated Cargill blueprints. 	Yes, per DEQ requirement (letter dated 2/18/04)

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility

(*AOC for further Evaluation in RI* revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
16	Cargill Malathion Mixing Area	<ul style="list-style-type: none"> • OU1, (Former Cargill Leasehold) west of Cargill Grain Facility Building 	<ul style="list-style-type: none"> • Room used for bulk Malathion™ storage (in drums) and mixing the Malathion™ with grain prior to shipment. • Application ceased in 1997. • One HAZMAT response recorded for worker exposure resulting in illness. • Odor observed by ATC and URS during Facility reconnaissance. 	Yes, per DEQ requirement (letter dated 2/18/04)
17	Cargill Millwright Shop/ Compressor House	<ul style="list-style-type: none"> • OU1, (Former Cargill Leasehold) west of Flour Mill 	<ul style="list-style-type: none"> • 1961 Historic maps show UST, compressor and sump, and possible UST (<i>no confirmation on 500-gallon heating oil UST in other documents</i>). • Need more information on chemical handling. 	Yes, per DEQ requirement (letter dated 2/18/04)
18	Cargill Hydraulic Oil Releases	<ul style="list-style-type: none"> • OU1, (Former Cargill Leasehold) Pump house near Cargill Truck Inspection Canopy • Cargill C-11 location 	<ul style="list-style-type: none"> • Remediation initiated at C-11 location but not complete. Excavations exposed during June 2003 Facility walk. 11/2003 excavation left contaminated soil on-site due to inaccessibility. • Regulatory status of release not known. • No additional information on C-11 release is available. 	Yes, per DEQ requirement (letter dated 2/18/04)
19	Former Blacksmith Shop	<ul style="list-style-type: none"> • OU1, (Former Cargill Leasehold) 	<ul style="list-style-type: none"> • No record of practices associated with these buildings. 	Yes, per DEQ requirement (letter dated 2/18/04)
20	UST	<ul style="list-style-type: none"> • OU1 (Cereal Foods Leasehold) 	<ul style="list-style-type: none"> • Cereal Foods Tank #19: 10,000-gallon, Fuel Oil #5. DEQ file # 447. • Tank decommissioned. 	Yes, per DEQ requirement (letter dated 2/18/04)
21	UST	<ul style="list-style-type: none"> • OU1 (Cereal Foods Leasehold) 	<ul style="list-style-type: none"> • Cereal Foods Tank #20: 1,000-gallon, Diesel, removed in approximately 1989, DEQ file # 447. • Tank decommissioned. 	Yes, per DEQ requirement (letter dated 2/18/04)
22	UST	<ul style="list-style-type: none"> • OU1 (Cereal Foods Leasehold) 	<ul style="list-style-type: none"> • Cereal Foods Tank #21: 1,000-gallon, Fuel Oil #2, DEQ field # 447. • Tank decommissioned. 	Yes, per DEQ requirement (letter dated 2/18/04)

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility
("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
23	Cold Storage Plant	<ul style="list-style-type: none"> OU1, Former Warehouse #8 	<ul style="list-style-type: none"> Built in 1923, 100 x 200-ft. Held apples. The cooling equipment was housed at the western end of the building according to Port photos. Reported cooling fluid was "brine". 	No
24	UST	<ul style="list-style-type: none"> OU1 	<ul style="list-style-type: none"> Oil-storage UST shown in one 1965 historical drawing, adjacent to former cafeteria. 	Yes, per DEQ requirement (letter dated 2/18/04)
25	Waste Pile	<ul style="list-style-type: none"> OU1, 1 pile observed in western portion of Facility 	<ul style="list-style-type: none"> Pile contains tires, scrap metal, railroad ties, other debris. Period of use, historical disposal practice unknown. 	Yes, per DEQ requirement (letter dated 2/18/04)
26	Gas Fueling Pump	<ul style="list-style-type: none"> OU1, Along southern boundary of Carroll Road 	<ul style="list-style-type: none"> Very little information regarding period of use, gas tank location, fueling practices. 	Yes, per DEQ requirement (letter dated 2/18/04)
27	Former Transformer Storage Area	<ul style="list-style-type: none"> OU1, western boundary, former Warehouse 5 	<ul style="list-style-type: none"> Former PCB material handling area. Interviews indicate staining of soils in the vicinity of a PCB-containing equipment load/unload ramp. 	Yes
28	Possible Drum Burial Area	<ul style="list-style-type: none"> OU1, western portion of Facility 	<ul style="list-style-type: none"> A past employee alleged that the area west of the Cargill office contained buried drums. An investigation including geophysical testing was performed and resulted in the identification of anomalies. 	Yes, per DEQ requirement (letter dated 2/18/04)
29	Auto Fluff Area	<ul style="list-style-type: none"> OU1, Northern property boundary 	<ul style="list-style-type: none"> Auto demolition occurring at Schnitzer Steel results in dust and airborne particulate dispersion on OU1 property. 	Yes
30	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> IRM Tank #49: 500-gallon, propane, active. 	No
31	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> PM-Ag Tank #66: 8,000-gallon, Magnesium, removed. 	No
32	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> PM-Ag Tank #67: 8,000-gallon, Dolomite. 	No
33	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> PM-Ag Tank #68: 8,000-gallon, "S-Carb" (sodium sesquicarbonate). 	No
34	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> IRM Tank #69: 8,000-gallon, held salt. 	No
35	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> PM-Ag Tank #70: 8,000-gallon, "Poly-N" (ammonium polyphosphate). 	No
36	AST	<ul style="list-style-type: none"> OU2 (IRM Leasehold) 	<ul style="list-style-type: none"> PM-Ag Tank #71: 6,000-gallon, Miscellaneous Bulk. 	No

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility

(*AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
37	AST	• OU2 (IRM Leasehold)	• PM-Ag Tank #72: 6,000-gallon, Miscellaneous Bulk.	No
38	AST	• OU2 (IRM Leasehold)	• PM-Ag Tank #73: 6,000-gallon, Miscellaneous Bulk.	No
39	AST	• OU2 (IRM Leasehold)	• PM-Ag Tank #74: 6,000-gallon, Urea.	No
40	AST	• OU2 (IRM Leasehold)	• PM-Ag Tank #75: 10,000-gallon, Miscellaneous Bulk.	No
41	AST	• OU2 (IRM Leasehold)	• IRM Tank #76: 1,000,000-gallon.	No
42	AST	• OU2 (IRM Leasehold)	• IRM Tank #77: 1,000,000-gallon.	No
43	AST	• OU2 (IRM Leasehold)	• IRM Tank #78: 1,500,000-gallon.	No
44	AST	• OU2 (IRM Leasehold)	• IRM Tank #79: 1,000,000-gallon.	No
45	AST	• OU2 (IRM Leasehold)	• IRM Tank #80: 1,000,000-gallon.	No
46	Liquefied Fertilizer Spill	• OU2 (IRM Leasehold)	<ul style="list-style-type: none"> • Spill of liquid fertilizer in approximately 1984 at tank T-79. • 1996 soil samples taken in "the area of the spill revealed nitrate levels below 1 mg/kg." 	No
47	AST	• OU2 (Former Maintenance Facility)	<ul style="list-style-type: none"> • Tank #81: 55-gallon, diesel • Decommissioned. 	No
48	AST	• OU2 (Former Maintenance Facility)	<ul style="list-style-type: none"> • Tank #82: 1,000-gallon, used oil • Decommissioned. 	No
49	AST	• OU2 (Former Maintenance Facility)	<ul style="list-style-type: none"> • Tank #83: 250-gallon, contents unknown. • Decommissioned. 	No
50	UST	• OU2 (Former Maintenance Facility)	<ul style="list-style-type: none"> • Tank #16: 3,000-gallon, diesel, decommissioned by Geraghty and Miller, Inc. 9/95 • DEQ LUST file 26-95-0277. • No groundwater in excavation. • 140 mg/kg TPH soil confirmation sample results below Level 2 soil matrix cleanup standard. • DEQ issued NFA. 	No, received NFA from DEQ

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility

("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
51	UST	<ul style="list-style-type: none"> OU2 (Gearlocker) 	<p>Note: previous description for this UST was incorrect. Correct description:</p> <ul style="list-style-type: none"> Gearlocker Tank #15: 10,000-gallon, steel, gasoline UST. DEQ LUST File 26-91-0126. Removed in October 1990. Hahn and Associates 11/30/1990 report describes removal. Level 2 soil matrix standard used. Soil confirmation sample results below Level 2 standard. 	No, available information indicates further evaluation would not be necessary
52	UST	<ul style="list-style-type: none"> OU2 (Boiler Building) 	<ul style="list-style-type: none"> Former Tank #17: 12,000-gallon, boiler fuel. Tank decommissioned by removal. Decommissioning report on file at DEQ. DEQ issued NFA. 	No, received NFA from DEQ
53	UST	<ul style="list-style-type: none"> OU2 (PM-Ag) 	<ul style="list-style-type: none"> PM-Ag Tank #18: 8,000-gallon, diesel, removed in 1990 DEQ file # 400. Tank decommissioned (GeoEngineers 10/3/96 report). 6 mg/Kg TPH confirmation sample results below Level 2 soil matrix cleanup standard. 	No, available information indicates further evaluation would not be necessary
54	UST	<ul style="list-style-type: none"> OU2 (Kinder Morgan Leasehold) 	<ul style="list-style-type: none"> Hall-Buck Tank #24: (may be same as #43) 10,000-gallon, contents unknown. Decommissioned. 	Yes, per DEQ requirement (letter dated 2/18/04)
55	Soda Ash Handling	<ul style="list-style-type: none"> OU2, (Kinder Morgan Leasehold) 	<ul style="list-style-type: none"> Soda ash handled by ANSAC in southern portion of the property. Dust dispersion occurs during soda ash handling. Soda ash is not a hazardous substance and does not pose a threat to human health or the environment. 	No
56	UST	<ul style="list-style-type: none"> OU2 (Kinder Morgan Leasehold) 	<ul style="list-style-type: none"> Kinder Morgan Tank #43: Active 5,000-gallon, diesel, fiberglass, DEQ file #9786. 	No
57	Rail Car Wash	<ul style="list-style-type: none"> OU2, (Kinder Morgan Leasehold) South of Soda Ash Storage Building 	<ul style="list-style-type: none"> Interview with Port personnel indicates presence of former rail car wash area. Photos from 1988 show wash down occurring in the area (no rail car visible). 	Yes
58	UST	<ul style="list-style-type: none"> OU2 (Building 334) 	<ul style="list-style-type: none"> Tank #26: Size unknown, gasoline. Tank management manual indicates the tank was reportedly removed with 	Yes

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility
("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
			no documentation of the removal.	
59	UST	<ul style="list-style-type: none"> OU2 (Former Fire Boat Dock) 	<ul style="list-style-type: none"> Multnomah County Sheriff Tank #27: 1,000-gallon, gasoline. DEQ file #9686. Decommissioned. DEQ issued NFA. 	No, received NFA from DEQ
60	UST	<ul style="list-style-type: none"> OU2 (Building 334) 	<ul style="list-style-type: none"> City CPD Tank #44: Size unknown, diesel, reportedly removed. May be same as T-26. 	Yes
61	Groundwater Seeps	<ul style="list-style-type: none"> OU2, Below Base of Ro-Ro Dock 	<ul style="list-style-type: none"> Observed by DEQ during a 4/30/01 Facility visit. ECSI Site ID 2356. Three small seeps observed by HAI in November 2002, but no sheen. HAI collected 4 samples. Two PAHs detected above SLVs. No source of sheen identified. 	Yes
62	Sloped Truck Scale with Sump	<ul style="list-style-type: none"> OU2, north of IRM offices 	<ul style="list-style-type: none"> Truck scale shown as sloped, with sump at the bottom. 	Yes
63	Ore / Product Handling / Storage	<ul style="list-style-type: none"> OU2, Pier 2 and Pier 4 	<ul style="list-style-type: none"> Materials stored/handled on site included ore, sulfur, coal, soda ash, petroleum, manganese, tallow, lead. 	Yes
64	Leckenby Fumigation Plant	<ul style="list-style-type: none"> OU2, west of IRM tank farm 	<ul style="list-style-type: none"> 1923-1955; used to fumigate Asian cotton or "other commodities requiring reconditioning i.e. peanuts, rice, beans, and other foodstuffs". 	Yes
65	ATS Disinfestation Plant	<ul style="list-style-type: none"> OU2, May be same location as #45 	<ul style="list-style-type: none"> Specific location not known (indication that it was east of Warehouse No. 1, OU2). Built in 1943, used by US Government Army Transport Service for delousing soldiers and POWs and their belongings. An Army directive from 1944 instructed military installations to use methyl bromide. 	Yes
66	ATS Salvage Yard	<ul style="list-style-type: none"> OU2, southeastern property boundary 	<ul style="list-style-type: none"> Handled 350 tons of scrap metal during ATS occupancy at Terminal 4. Aerial photo shows salvage area was 'filled' by 1945. 	No

Table 1
Potential Area of Concern Evaluation
Port of Portland – Terminal 4 Slip 1 Upland Facility

("AOC for further Evaluation in RI" revised as required per DEQ 2/18/04 response to draft RIP proposal)

Potential AOC Number	Potential AOC Type	Location	Description	AOC for Further Evaluation in RI
67	Gearlockers and Maintenance Buildings	<ul style="list-style-type: none"> OU2, Rogers Terminal Building 	<ul style="list-style-type: none"> Housed blacksmith, auto, paint, electrical, oil room, carpenter shops. Exit and area outside of auto shop showed soil staining, as reported by Port personnel recently. Types and quantities of materials used not known. 	Yes
68	Boiler House	<ul style="list-style-type: none"> OU2, west of Gearlocker building 	<ul style="list-style-type: none"> Built in 1919, still existing. Associated equipment included 2.5' below-ground gas line and fueling station. 	Yes, per DEQ requirement (letter dated 2/18/04)
69	Electrical Transformers	<ul style="list-style-type: none"> All locations not known Quantity/period of use not known 	<ul style="list-style-type: none"> Limited information available. 	Yes, per DEQ requirement (letter dated 2/18/04)
70	AST	<ul style="list-style-type: none"> OU2 	<ul style="list-style-type: none"> Fuel storage tank, noted in one 1936 historical drawing. May have been 55-gallon drum. 	No
71	PCB Remediation Area	<ul style="list-style-type: none"> OU2, Hall Buck Building 	<ul style="list-style-type: none"> Grasle PCB spill area. PCB-containing transformers removed; cleanup was completed under EPA oversight per TSCA requirements. 	No
72	Railroad Alignments	<ul style="list-style-type: none"> OU2 	<ul style="list-style-type: none"> Potential for spills and dust dispersion during ore and raw material transport. Hazardous substances found during rail maintenance work. 	Yes
73	Berth 411 Pencil Pitch Handling	<ul style="list-style-type: none"> OU2, Berth 411 	<ul style="list-style-type: none"> Active until 1998. Historical information of upland spills. 	Yes
74	Utility Storage Building	<ul style="list-style-type: none"> OU2, Southeast of Gearlocker 	<ul style="list-style-type: none"> Port personnel report formerly housed some hazardous substances. Historical map notes utility storage occurred. 	Yes, per DEQ requirement (letter dated 2/18/04)
75	Car Cleaning Pit and Drain	<ul style="list-style-type: none"> OU2, North of IRM Offices 	<ul style="list-style-type: none"> Rail car and truck cleaning areas identified on maps. 	Yes
76	Former Machine Shop	<ul style="list-style-type: none"> OU1, (Former Cargill Leasehold) 	<ul style="list-style-type: none"> No record of practices associated with these buildings. 	Yes, per DEQ requirement (letter dated 2/18/04)

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DEQ Comments	Port Response
<p><i>General Comment</i></p> <p>The RI Proposal organizes descriptions of subsurface material in terms of stratigraphic units (see Section 3.2.1, Geologic Setting and Section 5.3.1, Hydrogeologic Characterization), and a combination of stratigraphic units (fill) and material types (see Section 4.1, Hydrogeologic Conceptual Site Model). Figures 4 and 5 are geologic cross-sections that utilize the stratigraphic unit/material types combination. Using different nomenclature in the text and in cross-sections makes it difficult to transfer descriptions of drilling, sampling, and monitoring well installation to figures intended to graphically support the technical approach.</p> <p>DEQ recommends that the RI Work Plan use consistent nomenclature in the text and on figures when discussing the geology or hydrogeology of the T4S1 site. Additionally, we would suggest that the Port consider using the geologic and hydrogeologic nomenclature developed for the Terminal 4 Slip 3 RI (T4S3 RI). Use of consistent nomenclature could reduce duplication of effort and facilitate communication about work completed near the shared boundary of the two project areas. Use of consistent nomenclature will also promote understanding of the environmental conditions across a large portion of the T4 uplands.</p>	
<p><i>Specific Comments</i></p>	
<p><u>Comment 1. Section 2.2.1.</u></p> <ul style="list-style-type: none"> • Please provide a full reference for the "Final Report" on the polychlorinated biphenyl (PCB) release. • Summary of the November 30, 1990 underground storage tank (UST) decommissioning report should include the regulatory status to describe the potential for subsurface contamination. This 10,000-gallon gasoline UST appears to be absent in Table 1, Potential Areas of Concern Evaluation, and should be included. 	<ul style="list-style-type: none"> • The Port will attempt to identify this reference and provide it DEQ under separate cover. • The UST description for AOC 51 provided in the RI Proposal is for a UST at the Gearlocker building at T4S3, not T4S1. The location of AOC 51 on Figure 8 of the RI Proposal is in fact the 10,000-gallon gasoline UST described in the November 30, 1990 Hahn and Associates report. Table 1 (attached) has been revised to include the 10,000-gallon UST description for AOC 51.

Port Response to DEQ Comments on the January 23, 2004 Draft Remedial Investigation Proposal - Terminal 4 Slip 1 Upland Facility

DEQ Comments	Port Response
<p><u>Comment 2. Section 3.2.2.</u> It appears that three storm water catch basins on the subject property drain into the City of Portland's Outfall 52C pipe. City Outfall 52 C was excluded from the Voluntary Agreement for T4S1 based on information provided by the Port that the subject site had no storm water contributions into Outfall 52C. Please clarify the basis for this exclusion or include it as a potential Area of Concern (AOC).</p>	<p>Figure 3 in the RI Proposal is in error and will be corrected for the RI Work Plan. The three catch basins do not discharge to the City of Portland Outfall 52C, but rather are connected to the Port storm sewer pipe that discharges at Outfall W3.</p>
<p><u>Comment 3. Section 4.1.</u></p> <ul style="list-style-type: none"> • In general, the DEQ concurs with the description of the occurrence and movement of shallow groundwater the T4/S1 site. Convergence of shallow groundwater towards the slips, the seasonal interrelationship between shallow groundwater elevations and the stage of the Willamette River, and the elevation of the contact between the "Fill" and "Alluvium", could influence the direction and rate of movement of groundwater movement and the nature and extent of potential groundwater contamination (including seeps) at the T4S1 site. DEQ anticipates that these data needs will be addressed in the RI Work Plan. • The upper-most "Alluvium" is described as being fine-grained in nature (i.e., "silt and clay") and "likely a confining layer that minimizes vertical groundwater flow." DEQ understands that the RI Proposal presents geologic and hydrogeologic interpretations of the T4S1 site that are preliminary in nature, but we anticipate the RI Work Plan will provide an approach for assessing the hydrogeologic characteristics (e.g., vertical hydraulic conductivity) of the hydrostratigraphic units of interest beneath the T4S1 site. • The hydrogeologic conceptual site model suggests that, "shallow groundwater flow will be mainly towards the river or the slips, and <u>confined</u> within the fill and native sandy soil units." Based on available information for T4S1 and the work completed for the T4S3 RI, DEQ considers it more likely that shallow groundwater 	<ul style="list-style-type: none"> • Acknowledged. These data needs will be addressed in the Phase 1 RI work and the RI Work Plan. • Hydrogeologic investigations as part of the RI at T4S1 will include the installation of monitoring well clusters for assessing the vertical component of groundwater flow at the Facility, as well as other necessary hydrogeologic characteristics. • This is correct and will be captured in the RI Work Plan. Use of the word "confined" in the RI Proposal was not meant to imply that the aquifer is confined.

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DEQ Comments	Port Response
<p>occurring within the "Fill Unit" occurs under unconfined conditions. DEQ assumes that the proposal intended to communicate that shallow groundwater is interpreted to occur <u>primarily</u> in the Fill and sandy material in the upper Alluvium.</p> <ul style="list-style-type: none"> DEQ agrees that Gatton Slough is a preferential pathway for groundwater flow. Based on Figure 5 (apparent "channel depicted at the "1927/1930 Borings" B-2 and B-6 locations), other preferential pathways for groundwater movement appear to be present beneath the site. DEQ anticipates that, in addition to Gatton Slough, the RI Work Plan will include provisions for evaluating the potential preferential pathway depicted in Figure 5, and for identifying and assessing other groundwater pathways that could influence the occurrence, direction, and rate of movement of groundwater. 	<ul style="list-style-type: none"> It is the Port's intent to evaluate during the RI whether Gatton Slough is a preferential flow pathway for groundwater. With respect to other potential groundwater flow pathways, it is the Port's intent to evaluate preferential flow pathways in the context of any identified plumes of groundwater contamination. That is, significant effort will not be made to characterize a potential preferential flow pathway if that pathway is not associated with an identified source of groundwater contamination.
<p>Comment 4. Section 4.2. DEQ requests that the RI Work Plan correlate groups of chemicals of interest (COIs) reasonably suspected of being associated with each retained area of concern (AOC).</p>	<p>The RI Work Plan will identify those AOCs that will require further evaluation during the RI. For some AOCs, "further evaluation" may include a paperwork evaluation (i.e. review of additional available and relevant information, reports, regulatory files, etc.) and preclude the need for field investigation during the RI. Nevertheless, the RI Work Plan will identify those groups of COIs suspected of being associated with each AOC for which field investigation will be necessary during the RI.</p>
<p>Comment 5. Section 4.2.1. Human exposure to volatile organic compounds (VOCs) migrating from <u>soil</u> to indoor/outdoor air should be added as a potentially complete exposure pathway.</p>	<p>This pathway will be evaluated during the RI.</p>

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DEQ Comments	Port Response
<p>Comment 6. Section 4.3. There is a statement that “any burrowing terrestrial species (e.g., deer mice) that are present on-site and could be exposed to chemicals in Facility soil are likely to be common regionally, and thus will not be adversely impacted at the population level.” DEQ rules specify that we are protecting local populations, not a regional population. It is possible that there is habitat on and near the site where a local population could be impacted. The risk assessment should not be limited until the ecological habitats are determined (see Figure 7 comment).</p>	<p>Acknowledged. The risk assessment will be conducted in accordance with applicable DEQ guidance and standard practice.</p>
<p>Comment 7. Section 5.2.1.</p> <ul style="list-style-type: none"> • AOC Evaluation Process (2). DEQ provided guidance in a January 15, 2004 e-mail to the Port concerning required investigation of former USTs that were decommissioned without sampling confirmation data. The third point in this paragraph, eliminating an AOC if there is no evidence of a leak or spill from the tank, may apply to aboveground storage tanks but not USTs. 	<ul style="list-style-type: none"> • The Port concurs that ASTs will not be investigated as AOCs during the RI, unless there is evidence of a release. In accordance with this criterion, Cargill AOC 1 (675-gallon, steel, diesel AST removed in September 2003) will be acknowledged as a “Yes” for further investigation in the RI due to the presence of adsorbent material (i.e. for spill containment) observed at the location of the former AST. This change is reflected in Table 1 (attached). • Per the referenced DEQ guidance, former USTs that were decommissioned without sampling confirmation data (in the form of an NFA or equivalent sampling data) will be investigated during the RI. In accordance with this requirement, the following AOCs which are USTs are acknowledged with a “Yes” for further evaluation in the RI on Table 1: Cargill AOC 5, Cargill AOC 7, Cereal Foods AOC 20, Cereal Foods AOC 21, Cereal Foods AOC 22, AOC 24, and Kinder Morgan AOC 54. Some USTs will not be further evaluated during the RI because available information indicates that a significant release to the environment has not occurred. These USTs include the

Port Response to DEQ Comments on the January 23, 2004 Draft Remedial Investigation Proposal - Terminal 4 Slip 1 Upland Facility

DEQ Comments	Port Response
<ul style="list-style-type: none"> AOC Evaluation Process (3). DEQ disagrees that an AOC should be eliminated for an operation where handling of hazardous substances was confirmed but there is no evidence of a release to the environment. For example, DEQ would expect investigation of a historic operation that handled significant volumes of hazardous substances, even if there was no current visual evidence of contamination. Such investigation could include subsurface sampling in the vicinity of potential sources with known, specific locations, or more general downgradient evaluation of the groundwater migration pathway. 	<p>following: AOC 50, AOC 51, AOC 52, PM-Ag AOC 53, and City of Portland AOC 59.</p> <ul style="list-style-type: none"> In accordance with criterion number 4 of the AOC evaluation process (Section 5.2.1 of the RI Proposal), some AOCs were retained for evaluation during the RI even though there was no evidence of a release or spill. Rather, the nature of the activity, type of materials managed, or other circumstances warranted inclusion of the AOC for evaluation during the RI (e.g. AOC 74).
<p>Comment 8. Section 5.2.2 and Table 1. Although criteria used to evaluate potential AOCs are provided in Section 5.2.1, supporting information and/or data justifying the elimination of individual AOCs from further evaluation does not appear in the text or in Table 1. There are insufficient grounds to eliminate several AOCs. For example, some UST AOCs were not retained for further evaluation because they have been "removed" or "decommissioned" (e.g., AOCs 20-22, 24), however there is no supporting information and/or data to document that environmental impacts had not occurred, or that adequate cleanup occurred. In addition, certain AOCs have been removed from consideration even though it's acknowledged that evidence of potential impacts are present (e.g., AOCs 1, 16, 18, 25, catch basin with orange liquid outside Track Shed), that information regarding past practices or chemical use is unknown or not available (e.g., AOCs 12, 13, 15, 17, 19, 26, 68, 69, PCB transformer locations), or that file information is contradictory (e.g., AOC 52). Therefore, DEQ requests that the AOCs listed above are retained for further evaluation in the RI.</p>	<p>See response to Comment 7, first and second bullet. In addition to the AST and the UST AOCs included for evaluation during the RI, the following additional AOCs have been included for evaluation during the RI in accordance with this DEQ comment: Cargill AOC 12, Cargill AOC 13, Cargill AOC 15, Cargill AOC 16, Cargill AOC 17, Cargill AOC 18, Cargill AOC 19, AOC 25, AOC 26, AOC 28, AOC 68, AOC 69, and AOC 74.</p> <p>These changes are reflected in Table 1 (attached).</p>
<p>Comment 9. Section 5.3.4. The summary of exposure pathways is incomplete (see Figures 6 and 7 comments).</p>	<p>Specific responses to DEQ comments related to Figures 6 and 7 are provided below.</p>

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DEQ Comments	Port Response
<p><u>Comment 10. Figure 6, Preliminary Conceptual Site Model of Human Exposure Pathways</u></p> <ul style="list-style-type: none"> • It is not clear if the minor or insignificant pathways (indicated by an open circle) will be evaluated in the risk assessment. It appears that they will not be evaluated. If so, exposure to surface soil by occupational workers should be considered potentially complete (solid circle), at least as a current exposure. Also, volatilization from subsurface soil to occupational workers should be evaluated. For the soil and groundwater volatilization pathways, both indoor and outdoor air should be considered. • If there are major differences between current and potential future exposure, then the CSM figure should be revised to separate them. • The CSM shows angler contact with water and sediment as an insignificant pathway. EPA considers sediment contact by anglers to be a potentially important pathway, and has stated this in comments on Slip 3. To be consistent, the same approach used at Slip 3 should be used at Slip 1 (unless there are valid reasons for a difference). It is possible that the subsistence angler exposure scenario will be more likely in the future. 	<ul style="list-style-type: none"> • These exposure pathways will be evaluated during the RI, as appropriate. • The preliminary CSM currently reflects that there are no differences between current and future exposure. • This exposure pathway will be evaluated during the RI, as appropriate.
<p><u>Comment 11. Figure 7, Preliminary Conceptual Site Model of Ecological Receptor Exposure Pathways</u></p> <p>As with the "insignificant pathways" in Figure 6, terrestrial exposure to surface soil should be included as a potentially complete pathway. In addition, burrowing animals exposed to subsurface soil is also a complete pathway. The appropriateness of ecological habitat needs to be established either before or during the risk assessment. Only then can</p>	<p>These exposure pathways will be evaluated during the RI, as appropriate.</p>

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DEQ Comments	Port Response
potential pathways be reasonably determined to be insignificant.	
Comment 12. Figure 9. Add Phase I work plan, review, and approval to project schedule prior to Phase I implementation.	Implementation of the Phase I work will not occur until after DEQ review and approval of the Phase I Work Plan. This will be added to the schedule.